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DEVOTED TO INDUSTRY & FINANCE COMMERCE.



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Banks and bankers traditionally have been relied upon to see the big picture of the nation's economic health and welfare—to perceive and foster those practices which lead to a sound economy. Property insurance enters this picture because it is the prime protector of financial stability against disaster.

The Home, in its national advertising, is attempting to give the public a better understanding of the many-faceted services provided by insurance and insurance agents.

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Home Office: 59 Maiden Lane, New York 8, N.Y.

FIRE . AUTOMOBILE . MARINE

The Home Indemnity Company, an affiliate, writes Casualty Insurance, Fidelity and Surety Bonds



HOW TO GROW...IN A BUSINESSLIKE WAY

Crops don't just grow like Topsy—not any more. Today's farmer is a real businessman—a combination weatherman, mechanic and accountant as well as a master of agriculture or animal husbandry. Even so, he faces the hazards of fire and hail that could wipe out his year's work—except that he is protected by insurance. That's why farmers and Home Insurance agents work hand-in-hand—partners in protection and production.

P. S.—those agents talk the farmer's language, too. That's why they make such a fine team.



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How long since you have had an expert insurance survey of your home, furnishings and personal belongings? Better do it soon—you'll be surprised at the total value of your possessions, and how little it costs to have full protection for them. Your Home agent will be glad to do the job for you.

☆ Your HOMEtown Agent can serve you well—see him now!



Editorial



We Cannot Be Weaklings

THE free peoples throughout the world are shocked at the inhuman treatment inflicted upon prisoners of war by the Communist groups. If the Russian and satellite peoples, as distinguished from their Governments, knew these facts, they would be equally horrified. Here is a chapter in modern history that can be compared only to the savagery and bestiality of ancient and medieval torture.

How can one deal with merciless Governments that have no regard for human suffering, or even human life? It seems an almost impossible task that confronts us.

We may not be able to do much about this punitively at this time. All we can do is state the case clearly and completely and let the world judge for itself.

It is, however, a disgraceful situation that in some recent press dispatches it was suggested that we had better not emphasize or publicize these cruelties at this particular time. The theory of such appeasers was that to do so might jeopardize a so-called peace opportunity. Such cowardice or such appeasement policies must have made many of our people sick at heart. Imagine, if you will, that your own husband, son or brother was killed or tortured. What would your reaction be if you were told you cannot or should not protest because, if you do, you may jeopardize a possible peace?

In the armed services, when there is an unnecessary loss of life due to a disaster, facts are developed and the guilt is placed. This is done irrespective of whom it may hurt, or how long ago the tragedy may have occurred. It is a procedure and policy which has been characteristic of our armed services for years.

We have demanded that the story of these atrocities be broadcast to the world. We must not yield to those who would compromise on human principles. To do so almost amounts to acquiescence in this type of barbarism.

We are a strong nation. We, like all other free peoples, desire peace, but there is a price we are unwilling to pay for it and which we cannot afford to pay for it. The great service we can render to the world is to expose situations of this kind. If our freedom and our way of life mean anything to us, they mean that we cannot be weaklings in the face of inhuman conduct.

Let us proceed to our investigation and insist that the United Nations discharge its responsibility by officially placing the blame for these atrocities. The only reassuring fact is that the United Nations has voted to consider the situation. This action, however, must be vigorously followed by a thorough inquiry and determination of guilt. The world must know the facts and outlaw the criminals. If it doesn't, life will no longer be worth while.

they H. Heman

HENRY H. HEIMANN
Executive Vice President

THE FEBRUARY COVER

WHEN the sales and credit arms of a company work together so closely that they almost are indistinguishable, each protecting the other's interest as well as his own, there you have one answer to operational procedure which underscores strength of organization.

A case history of such functioning begins on page 12, in an article by Hugh F. B. Kerr (left), credit manager of Bendix Radio, Division of Bendix Aviation Corporation, Baltimore, Maryland. Mr. Kerr appears on the cover with Willis E. Cleaves, rear admiral, U.S.N. (ret.), general sales manager of Bendix Radio Communications Division.

Rear Admiral Cleaves, Annapolis



graduate (1924), has the Silver Star and the Purple Heart as mementoes of memorable service. After earning his wings at Pensacola and service on flying boats and seaplanes, he was assigned to the carrier Saratoga, and helped develop naval dive-bombing tactics.

He attended the Harvard School of Engineering 1930-32 and was officer in charge of the radio and electrical section of the Bureau of Aeronautics 1939-41. World War II broke while he was in command of the Bermuda-based Patrol Squadron 74. Gallantry in the Aleutians campaign and successful action against a Japanese submarine after it had torpedoed his command, a seaplane tender, won him his decorations. He later was commanding officer of the naval air station at Daytona Beach, in 1944 became assistant chief of naval operations, and at war-end had command of a new carrier.

Mr. Cleaves was director of aviation sales of the Collins Radio Company before joining Bendix Radio in 1952 as staff assistant to the general manager. Two months later he was named general sales manager.

Mr. Kerr's seven years in bank service, four of them as branch manager, preceded appointment as credit and personnel manager of R. W. Norris and Sons, Inc., wholesale automotive distributors. Since 1948 he has been credit manager of the Bendix Radio Division of Bendix Aviation Corporation in Baltimore.

Past director of the National Association of Credit Men and the Baltimore Association of Commerce, Mr. Kerr is on the advisory committee of the Baltimore Association of Credit Men, of which he is a past president.

CREDIT RINANCIA DEVOTED TO INDUSTRY * FINANCE * COMMERCE

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WASHINGTON



■ SMOOTHER operation of federal tax administration was given a boost when Treasury Secretary G. M. Humphrey delegated to T. Coleman Andrews, internal revenue commissioner, the power to execute final agreements in settlement of tax controversies. The Treasury already had handed the Service the power to approve offers in compromise, make refunds of taxes, recommend criminal prosecution, grant extensions of time and changes in accounting, and to appoint personnel (except deputy and assistant commissioners). These actions were taken to eliminate duplication and delay. Tax policy, however, will still be determined by the Treasury. Congressional tax investigators want Mr. Humphrey's move written into the Revenue Code, so future Treasury chiefs will not be able to backtrack.

■ FOURTEEN American banks are participating
in arrangements completed by the Export-Import
Bank for operation of a \$60 millions credit authorized by these banks to finance purchase of
raw cotton by Japan under contracts entered into
after December 3rd last.

An increase of \$740 millions in gold and dollar assets of foreign nations in the last quarter of 1953 was \$340 millions more than in the second quarter, says the office of business economics of the Department of Commerce. The report also indicated that foreign countries in the third quarter repaid \$224 millions of their long-term private and government debts and pared their short-term commercial liabilities by \$56 millions.

THE second Hoover Commission, established last July under the Brown-Ferguson Act, makes its final report a year from the coming May. The new recommendations, if given the same public support as the first, should deal a resounding blow to flagrant extravagance and waste in Government. Of the first Hoover Commission's 273 recommendations, 72 per cent already had been adopted by the time Congress reconvened last month. When fully applied they alone will allow an estimated annual saving of \$4 billion.

Members of the new Hoover Commission include: Rep. Clarence J. Brown (Ohio); Attorney General Herbert Brownell; James A. Farley; Sen. Homer Ferguson (Mich.); Arthur S. Flemming, director of defense mobilization; Rep. Chet Holifield (Calif.); Solomon C. Hollister, dean of Cornell's civil engineering school; Joseph P.

Kennedy, former ambassador to Great Britain; Sen. John L. McClellan (Ark.); Sidney A. Mitchell, national chairman of the Citizens Committee for the Hoover Report; and Robert G. Storey, dean of Southern Methodist University Law School.

¶ The Randall Commission on Foreign Economic Policy has before it a constructive suggestion from the steel industry, through the American Iron and Steel Institute. Proposed is a single bipartisan foreign trade commission in which tariff and export financing powers would be centralized. The Tariff Commission would become a fact-finding board and the Export-Import Bank a fiscal arm of the new agency. Clarence B. Randall, chairman of Inland Steel Company, heads the investigating commission, which is to report in March.

LESS interference with business but tighter enforcement of rules to protect investors and public is the Securities and Exchange program for this year, says Chairman Ralph H. Demmler. Among other planks in the 12-point program are greater help to Congress and the Administration in preparing amendments, exploration of the possibilities of liberalizing exemptions for issues of state-regulated utility companies, improved administration of the exemptive rule on small offerings, re-examination of policy on participation in private suits.

■ SALES of electricity by the Tennessee Valley Authority in the year ended June 30th brought in the lowest net return (2.7 per cent, \$105 millions) since 1942. The average for the last five years was 4.5 per cent.

■ SALES by the department stores of the nation were 2 per cent higher than in 1952, up to December 26, according to the Federal Reserve Board. The percentage increase would have been higher had not the Christmas shopping split even with a year ago, though the final week was 12 per cent over the 1952 week.

■ EXPENDITURES by business for plant and equipment this quarter will approximate an annual rate of \$28 billions, seasonally adjusted, higher than the first quarter of 1953 but slightly under year-end levels, the Department of Commerce predicts. The 1953 total was estimated \$27.827 billions.

- A SIMPLIFIED renewal form for non-competitive oil and gas leases on public lands has been adopted by the bureau of land management of the Department of the Interior, to put an end to delays.
- No LONGER must an employer who addresses his workers on company time at the plant regarding unionization grant equal time to the unions for the purpose, the National Labor Relations Board has decreed.
- OPPOSITION to all federal subsidies to business, except as deemed essential to national defense, has been voiced as a policy by the National Association of Manufacturers.
- Use of military-owned tools and equipment in making non-defense items is barred, except in "extreme emergency," says a directive issued by the Defense Department. Final decision on requests is up to the Office of Defense Mobilization.
- Provisions of the Buy American Act, which
 requires that Government officers give preference
 to domestic suppliers in certain types of procurement, apply to foreign semi-fabricated aluminum
 shapes and forms, the Department of Defense
 ruled. Exempted from the law are imported aluminum pig and ingot.
- ¶ A TOTAL of \$3 billions worth of chemical plant expansion was authorized by November under the program for rapid tax amortization, officials of the Department of Commerce told a joint meeting of the Chemical Market Research Association and the American Chemical Society.
- Study of the Government's activity in water resources and power generation and distribution was turned over to a board of 26 members by the Hoover Commission on reorganization of the executive branch.
- ¶ A TWO PER CENT decline (\$720 millions) this
 year from the 1953 total was forecast in public
 and private outlay for new construction, in the
 Commerce and Labor departments' prediction of
 \$34 billions expenditure.
- ¶ By ELIMINATION of a preference clause, the Small Business Administration placed all manufacturing, wholesaling and retailing companies on equal footing in application for Government loans.
- ¶ A DROP of 10 per cent in sales of U.S. goods abroad was registered in the first nine months of '53, compared with the period in 1952, says the Department of Commerce. However, if free U.S. military aid shipments were included, there was a 4½ per cent increase.
- REVOKED was a Government order to prevent synthetic rubber consumption from falling below

- 510,000 tons a year. Consumption has been above that level since the order went into effect in April, 1952.
- FARM EQUIPMENT sellers are seeking Small Business Administration help in the way of loans. (The SBA loan policy had been confined to manufacturing firms.) Sales of farm equipment at retail have fallen from 1952 figures and farm tractor production has been the lowest since 1946.
- DEFENSE SPENDING will approximate \$42 billion in the fiscal year ending June 30th, according to Pentagon Budget Chief W. J. McNeil. The amount of defense spending for fiscal 1955, which begins July 1, should run higher than Congressional appropriations because the services have unexpended funds voted in previous years.

OFFICIAL TEXTS—of all mobilization agency regulations may be had, free of charge, by writing the Information Division of the agency involved, Washington 25, D.C.

THE FEDERAL REGISTER—a Government daily publication, which contains full texts of all regulations, is available from the Superintendent of Documents, also at Washington 25.

- WHILE new orders for heavy durables showed a marked fall-off after the last second quarter, the decrease in shipments was less noticeable because of the filling of order backlogs, said the office of business economics of the Department of Commerce.
- Commercial exports dropped 12 per cent in the first eight months last year compared with the same period in 1952, but military aid supplies moved the exports to 5 per cent higher than in the 1952 eight months. In all, including military goods, total exports of goods stood at \$10.6 billions, an increase of \$479 millions.
- ¶ The same allotment—\$585 millions—as last calendar year was made to the states in federal highway funds, with the general stipulation they be used before June 30, 1957.
- ¶ The world production of natural rubber in August exceeded by 35,000 long tons the total 112,500 long ton consumption, says the Department of Commerce. Synthetic rubber production, not counting Russia's, was 10,000 long tons larger than the 65,000-ton total consumption.

Develop Marginal Risk

Encouraging New Accounts Declared Way to Increase Distribution

TRIAL BY FIRE was a crude and rigged procedure to measure moral competence in olden days. Trial by contribution to increased profitable business volume will be the test of credit management in the competitive days ahead. Fair enough.

Company presidents and chairmen were asked by *Credit and Financial Management* to tell what they expect from credit management in the buyers' market.

Noticeably prefacing their comments is the high level regard which top executivedom already accords its credit arm. One president says without reservation: "Our key credit executive is one of the members of our management team." The expectations of all are many, large,—and exacting. Underscored is Credit's job to develop the marginal account. One president notes: "A large number of our best customers were once calculated risks."

A board chairman adds that "only by encouraging new business launched by aggressive young men from well-established organizations can any company increase its distribution."

Then there is the variously expressed emphasis of the leadership demands on the credit manager: "He should act as 'educator' to business." . . . "sit down with the customers and plan efficient operations for them." . . . "chart a sound and flexible course."—And these are "only the beginnings, folks."—ED.

Helps Newcomers

MELVIN H. BAKER

Chairman of the Board, National Gypsum Company, Buffalo, N.Y.

In THE FORMATIVE years when a new business is an unknown quantity and is attempting to break into an established field dominated by strongly financed competition, top management expects the credit manager to seize every opportunity to advance the company's sales by adopting an "entrepreneur attitude". As the company expands year after year, producing and selling new products, the credit manager must adopt a sim-

Melvin H. Baker

ilar plan to aid distribution of each new product.

In today's market, a trained credit manager must always be alert to the necessity of maintaining credit cooperation. He should recognize that aggressive young men who have been with successful, well established organizations are constantly breaking away and forging ahead in their own financial enterprises. Only by encouraging these new businesses with helpful credit policies can any company increase its distribution.

The credit manager should develop over the years close personal relations with many of the larger volume accounts. His credit policies must be well defined, so that the customer will know exactly where he stands. However, these policies must be flexible enough to assure the customer that his circumstances are receiving the greatest possible consideration. Above all, the credit manager's criticism should always be constructive, with tactful suggestions as to how to meet his requirements.

It is desirable for the credit manager to join the local credit men's association, as much to benefit from the exchange of ideas as to promote good public relations. He should also encourage younger members of his credit department to become known to the credit fraternity through his association.

Ideally, the credit manager's relationship with top management is one of mutual autonomy. Top management forms the basic sales, financial and credit policies with his advice.

TURN TO PAGE II

Positive Sales Aid

C. J. BACKSTRAND

President, Armstrong Cork Company, Lancaster, Pa.

DUCCESSFUL credit managers generally excel in at least three particulars. They collect accounts in satisfactory volume while maintaining good customer relations; they provide helpful financial advice to new accounts and older customers who may have temporary problems; and in all of their contacts with customers they are consistently salesminded. Such accomplishments are expected of the general (See p. 20)



C. J. Backstrand

Says Top Management

Give Customer Financial Advice, Measure Trends, Be Sales-Minded



H. F. KRIMENDAHL President, Stokely-Van Camp, Inc., Indianapolis, Ind.

The Nerve Center

CREDIT management at Stokely-U Van Camp, Inc. is a nerve center that joins sales with production to assure an ultimate profit. Top management recognizes that production and sales effort would be lost without proper consummation of this important phase "of our business. After all, revenue is the lifeblood of business and must be secured on a timely basis to sustain continued operations.

The credit department knows the financial condition, method of operation, and character of our customers and therefore is in an excellent position to maintain a proper balance between acceptable credit risk and unrestrained trading.

Business opportunities in America are still better than any place else in the world. This offers a challenge to the credit executive to analyze correctly the soundness of new customers and new business ventures so that additional volume can be developed through such new sales outlets.

A large number of our very best customers were once calculated risks. While accounts of this kind require close supervision, they offer wonderful opportunities to build business on a friendly foundation with you and growing enterprises. Encouragement

and confidence established early are never forgotten. We keep in mind that most large companies started small. Ambitious people of good character will work hard and long hours to become successful.

By necessity, the credit executive's contact with customers is largely through correspondence. While sales representatives make personal calls, the credit executive's letters are a more frequent medium of contact and must be designed to retain the best possible relationships with customers. At times it becomes necessary to be firm regarding terms and unearned cash discount, but this can be handled in a diplomatic manner that will obtain the necessary results and at the same time win the respect of the customer.

The importance of a collection letter cannot be over-emphasized. This kind of communication is from an official and will be considered by the trade as a measuring stick of the company and its top management and policies. With this in view, the writer must at all times have in mind the opportunity for building good customer relations. The right kind of letters can help to build business and obtain better collection results.

To supplement correspondence, personal contacts should be made with customers as often as possible, since customers look to the credit manager much the same as they look to their banker.

Customers appreciate the opportunity to discuss their financial problems with reliable and discreet credit

We expect our credit department to take full advantage of the educational program of the National Association of Credit Men, particularly the credit courses sponsored by the association in universities throughout the country. All of our credit men have completed these courses.

In other words, we rely heavily upon our credit personnel and must expect that they will maintain a scope of knowledge and personal contacts which will enable them to discharge their responsibilities with distinction.



SIDNEY A. STEIN

President, Congress Factors Corporation, New York, N.Y.

Business Educator

T is universally acknowledged that I credit is the life-blood of our economy. Therefore, credit men must adjust their sights to meet changing conditions, but the extent of the compromise should never be stretched to perpetrate a deliberate relinquishment of sound credit policies. If it is, then the movement of goods into the hands of those not qualified to obtain credit can ultimately cause havoc with an entire industry and is certain to affect the purse strings of our own companies. Above all, credit executives must understand human nature and approach their subject with open minds. They should be firm and yet humble in performing their duties, for the manner in which they conduct themselves will reflect with the sharpness of a blade on their company's sales and profits.

Before a plane takes off today, whether it be on a military mission or a civilian flight, its course is carefully charted. Modern aircraft is manned by experienced and qualified personnel. The captain, co-pilot and navigator are all experts, working together on one team. Similarly, manture to page 11

Strategic Position

EARL R. MELLEN

President, Weston Electric Instrument Corporation, Newark, N.J.

Credit department and what top management expects of it involves first some understanding of the special nature of the Weston business, the scope of products and the various trades and types of customers to whom these products are sold.

The Weston line of products covers a very broad scope of instruments of many types, from glass and bi-metallic thermometers used in laboratories and exposure meters for the photographers to a wide range of instruments for public utilities and industries.

There is also, under the defense program, a large number of kinds of specialized instruments, many peculiarly adapted to the requirements of the armed forces, from a small ammeter or voltmeter to very complex and expensive laboratory types of instruments and navigational instruments used by the Army Air Force and the Navy.

The latter products are mentioned because substantial credit risks are involved in the sale of these products to subcontractors of the government.

Perhaps at no time in history has there been such an expansion of socalled electronic devices of all kinds for use in industry, and by our armed forces to measure, record or control many different kinds of operations.

A somewhat similar condition prevailed in 1924 and 1925, when radio broadcasting developed, and small dealers, distributors and manufacturers sprang up all over the country. Some of these new businesses were conspicuously successful, but a great many more fell by the wayside. To a very great degree in the present period, the small electronic manufacturers have relied on contracts obtained from the armed forces—many of them of a development nature and on products never made heretofore.

On this type of business, the credit department can be of very great help to our sales and management in analysis of these accounts, keeping constantly in touch with their progress, or lack of progress, and issuing warning notices at the appropriate time. This is particularly true now when there is at least a leveling off in the activity in this field. So too in the months ahead, with more definite indication as to which companies may be able to survive and meet the competition bound to follow, in contrast to a greater number who, with a decline in government procurement, will find it difficult to obtain a sufficiently large volume of commercial business in specialized products to sustain their operation.

It always has seemed to me that the credit manager is in a very strategic position to be of considerable help to any business. He automatically has an opportunity to review the orders as they come in and therefore measure the types of products being ordered and the business being booked.

He must inherently maintain a very close working arrangement with the



Earl R. Mellen

sales department, to keep them informed on the credit status of new accounts, and regarding old accounts failing to pay their bills promptly. His work brings him in close touch with accounting functions in the business, both on accounts receivable and the broad front of cost and general accounting. To the extent that he is familiar with these subjects, his advice on systems and methods is of value.

In a specialty type of business such as ours, with many different requirements for special instruments, the initial risk may be substantial as you embark on engineering and design of a new product for a certain customer. Thousands of dollars may have been expended in such preliminary development work, with no billings on the books.

If the credit manager's appraisal is not sound, the loss will have been incurred even before a shipment is made. Yet the financial standing of such customers cannot be the sole measure of credit extension. Many of these young electronic engineers who have formed companies in turn have developed some unusual and ingenious products which may have substantial need of instruments or related control devices. Through encouragement, such accounts can be built to very substantial proportions.

The credit manager also is in a position to measure trends even before they may be reported in trade and financial journals. To the extent that he keeps informed and informs sales and management, he is providing very constructive service. He is a storehouse for this information.

Typical was the recent release from Washington that there might be some curtailment by the armed forces in granting advances, or making so-called progress payments on contracts. This would be of far-reaching significance, as it might affect the credit standing of many accounts doing business with the government.

Under present procedures, such advances can be obtained with relatively little difficulty by preparation of an acceptable tabulation of labor and material costs with related overhead applications.

In many instances, the financial condition would not justify unsecured credit. This automatically would require recourse to socalled V-loans, with guarantees by the branch of the service involved. In the interim, and since delays inevitably occur in obtaining such V-loan accommodations, some companies might find themselves in a very serious financial situation on a large contract after having utilized the full limit of their own resources. Information of this nature accumulated through the credit department would help determine the credit policy to apply.

In summary, in a specialized business such as ours, the functions of the credit man probably expand and cover a larger scope of assistance to management, including accounting, sales, factory and even engineering. He has an opportunity to review the initial orders and obtain all available credit and financial information on the customer. After analysis in cooperation with the sales department, he can assist in reaching a sound conclusion on credit procedure. He will continue to keep sales, engineering and factory informed of trends.

Varsity Backfield

WILLIAM A. BURNS

President, Trailmobile Inc., Cincin-

MRAILMOBILE is engaged in the manufacture and sale of freight truck-trailers, with an important part of our volume being sold to over-theroad trucking companies. Because of the very rapid growth of the trucking industry, it has been the policy of this company, as well as others engaged in selling similar equipment (including truck-tractors), to offer financing on a long term basis.

Since considerably in excess of 50 percent of our sales is financed on long terms-from 24 to 60 monthsour credit department is a vital part

of our business.

Because of the very nature of our business, our key credit executive is one of the members of our top management team.

Growth of sales by our company is increased by the ability of our credit department to offer sound financial advice to many of our customers. We feel that our company has adequate financing facilities for customers who can qualify as sound business risks.

Develops Marginals

H. DALE PALMER

President, Detroit Steel Products Company, Detroit, Mich.

THE CREDIT EXECUTIVE must ■ be a part of top management. Through the exercise of his professional skill he can make a direct contribution to increased profitable volume of operations.

He is the watchdog of our own good credit standing by keeping our receivables sound and our collections within acceptable limitations. He needs to be a financial expert, and he usually is. He can spend a lot of his time to good advantage in the backfield of the sales team. He can be an ambassador of goodwill for his company, because he probably has more contact with more customers than any one salesman employed by his company.

He knows that anyone can pick the gilt-edged risks and take small chance

of bad debt losses, but his job is well done when he concentrates on the marginal accounts, studies them, works with them, and develops them into good customers.

He should play an active part in the local and national associations. The hours spent in committee work and as an officer and director, if he is called upon thus to serve, pay very rich dividends in personal experience, broadened contact, and the formation of lasting friendships.

He needs to take part in politics, individually and as a member of his association, not necessarily in politics as such but in finding sound solutions to the vital economic issues of the day. Of all men, he should be a staunch advocate of the free enterprise system.



H. Dale Palmer

FROM PAGE 9

agement expects credit executives to continue working together in charting their course.

For a long time now, one of the cardinal principles among credit executives has been: "no iron curtain" on credit information. A strict adherence to a fair and frank interchange helps complete a file and properly pass upon a risk.

The credit fraternity should act as "educators" to business, especially since so many businessmen today are not thoroughly acquainted with the rough sledding of the depression years and the adjustment period that followed.

With purchases and commitments being placed sparingly and close to the vest today, complete credit data

is essential for a proper evaluation. By obtaining full details, credit men will be able to sit down with their customers and help plan efficient operations.

Credit managers must be mentally alert and well grounded in the technical aspects of their profession.

Today, it is required that the dispensers of credit satisfy three distinct interests in keeping up with our new three-dimensional theories. It is up to them to evolve a plan that will be satisfactory to the customer, the salesman and to management.

No credit man can ever hope to be successful unless he is able to coordinate his efforts with those of the sales department. At the same time, he cannot ignore sound credit principles in an attempt to merchandise credit, even in a highly competitive market. However, he should always be conscious of the meaning of an order and the extent to which good-

will affects his company.

Right now, the atmosphere is full of uncertainties all the way down from our own home front in the stock market to the far away places of strife, unrest and political intrigues. Engulfed in such conditions, which affect our everyday activities, top management expects top credit executives to chart a sound and flexible course in performing their daily duties. Then, whenever trends develop, whether it be a "healthy adjustor "moderate downtrend," Operation Preparedness will give each credit man the impetus and tools with which to meet any drastic changes.

FROM PAGE 8

When the credit manager is well versed in these policies, keeps himself informed on policy violations, and takes the necessary steps, then top management, realizing that its credit policy is in competent hands, never interferes or weakens credit decisions. If the credit manager thoroughly understands the delicate balance between income and outgo, necessary regardless of the size of the corporation, he will never lose top management's perspective by dissipating the company's assets by indiscriminate exceptions.

A Problem for the Book and How It Was Solved

A Feature Series on MANAGEMENT AT WORK

WOULD be the last person in the world to minimize the importance of Capital to a credit department. However, I do think that many of us in the profession often lay too much emphasis on Capital, and that in many cases Character and Capacity carry the most weight of the trio of C's. In support of this tenet we cite a series of transactions we had with one of our customers in the middlewest.

The customer operated an aircraft radio installation service which for a long time had been our service depot in his area. Most of our shipments to him had consisted of component parts of airplane radio installations. Only occasionally had he made complete installations which required shipping him equipment that ran into substantial figures. High credit on the account never had exceeded \$2,500 and all invoices had been paid promptly.

Comes an Order for \$120,000

Early in the year the customer (let's call him Mr. McIntosh) visited us at the factory and joyfully informed our sales department that he had received an order for aircraft radio installations requiring \$120,000 of our

The order had been given him by a large corporation which maintained its own fleet of airplanes for executive travel. The corporation desired to install the most modern radio equip ment in its fleet of planes, and the order specified that the radio equipment must be Bendix.

One of our sales executives brought McIntosh to my office in order to discuss the credit situation posed by the size of the order. They pointed out to me that the equipment had to be specially built and shipments would be strung out over a period of six months, the first five at the rate of \$10,000 a month, the sixth scheduled for

HUGH F. B. KERR

Credit Manager Bendix Radio, Division of Bendix Aviation Corporation, **Baltimore**



completion of the order with shipment approximating \$70,000.

I quite openly pointed out to Mc-Intosh that his \$11,000 working capital and \$15,000 net worth in no way could justify an extension of such substantial credit. He very frankly agreed with me and asked for my advice in solving the problem, as the order represented his first opportunity to break into big business and obtain substantial profits. I agreed to call him in a few days and suggest some plan.

Technical Ability a Factor

First, I checked with our own engineers and found they had very high regard for McIntosh's technical ability. They pointed out that the reason the big corporation had given the order to him rather than a more substantial organization, was solely because of McIntosh's fine reputation in electronics.

Subsequently I had several lengthy

telephone conversations with the treasurer of the contracting corporation. I learned that his corporation thought very well of McIntosh and his ability, and was well aware of his capital limitations.

On a gentleman's agreement basis, it was decided that we would extend McIntosh the \$10,000 a month credit for the first five months of the contract and that the contracting corporation would make prompt advance payments to McIntosh as installations were made, so that he in turn could pay us. On the basis of McIntosh giving an assignment agreement to the corporation in our favor, the treasurer further promised that if we experienced any delinquency and would notify him, he would forward all further payments to us.

As for the final shipment of \$70,-000 in the sixth month, we decided to face that when the time arrived.

I informed McIntosh of this arrangement and he immediately went to the office of the treasurer of the Corporation and signed an assignment agreement. We approved the order and production immediately went to work.

Our credit terms are net tenth e.o.m. Our production schedule was met. McIntosh mailed his check to me personally on the tenth of every month.

The sixth month rolled around and there was the problem of the \$70,000. I telephoned the corporation treasurer and found they were more than satisfied with the work that McIntosh had done and were ready to pay him the balance in full as soon as the final installation was made.

Capacity and Character Proved

There was still no capital justification. But McIntosh had more than proved his capacity and character. The \$70,000 in equipment went forN THE accompanying article Mr. Kerr indirectly points up one of the many sides of the problem of the socalled marginal risk, an increasingly important aspect of successful credit operation in a market wherein the buyer is king. Here the issue is joined: capital versus character plus ability. The case not always is as clearcut as in this incident, which provides a readable conclusion drawn from his major premise.

A biographical sketch of Mr. Kerr appears on page 5. He is shown on the front cover with Rear Admiral Willis E. Cleaves, general sales manager of his company's radio communications division.—Ed.

ward to him on open account. Before the end of the month he completed his installations. On the first of the following month the corporation treasurer called me with the information that he had mailed McIntosh the final settlement check.

McIntosh didn't wait until the tenth of the month. His check, paying his account in full, was in my hands on the fifth, with a letter of appreciation that was most gratifying.

I said at the outset that in many instances Character and Capacity are the two dominant C's. They certainly were in McIntosh's case.

Tighten Enforcement of Tax Regulation, House Group Asks

A House ways and means subcommittee headed by Rep. R. W. Kean (N.J.) urged the Internal Revenue Bureau to enforce existing requirements that every person tell the Government when he pays more than \$600 a year to maids, doctors, landlords, lawyers, or anyone else who provides services. It also recommended that taxpayers be required to keep better records and supply detailed information on income sources. It urged stiff penalties for willful failure to file a return and more prison sentences for tax fraud cases.

Other recommendations included maximum publicity for Internal Revenue rulings, limited garnishment of tax delinquent federal employees' wages, signatures and addresses on the tax returns of those who are paid to help prepare them, and debarment from further practice before the Treasury Department of any lawyer who pleads privilege as a reason for refusing to answer questions of tax investigators.

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TRENDS--

IN BUSINESS AND FINANCE

Getting into the Act

THERE'S NOTHING new about moves to shunt defense contracts into regions having business difficulties. For that matter, certain resultant cries of "Unfair" also have a familiar ring.

Now comes President Eisenhower's instruction to Government agencies handling such contracts to come to the aid of troubled areas in a program basically similar to one launched in the Truman Administration—and protests again are resounding.

The Eisenhower plan's basic provisions are five-pointed. Twenty to 30 per cent of the purchasing is to be diverted to "surplus labor" communities able to "meet the prices established through the competitive buying procedure." Concerns in such areas are to be informed of such opportunities, awards to go to those districts in event of tie bids from companies elsewhere. Prime contractors are to be encouraged to subcontract to large unemployment communities, and the Commerce and Labor departments are to provide technical help, including training programs, for idle workers.

On the wider front of the economy, Secretary Sinclair Weeks names seven directions of the current Administration's moves to encourage business growth and stability: Removal of "straitjacket" wage, price and materials controls; a halt to "the alarming increase in the cost of government"; tax reductions; a check on inflation; a start toward ending Government competition with private industry; "the best break in years" for business, large and small; and restoration of business confidence "to create the greatest prosperity in history."

The Small Man's Burden

GOVERNMENT can, and should, relieve small business' tax and labor burdens and this "would be more helpful than all the credit the Government could create," says the Guaranty Survey, New York.

Guaranteed Wage Hurdles

Any company contemplating introduction of a guaranteed annual wage plan, says the American Institute of Management, should first study the following 10 basic factors and conditions:

Company's instability, causes and available methods to overcome them, the overtime pattern, shift operations, ages of employees, length of work week, company structure, ways in which the personnel manager can help start and operate the program, and a pre-test of the plan to employees and union.

Capital Stock Goods

THE OVERALL current stock of capital goods does not appear excessive "by historical tests" but "this stock seems to be expanding at a rate somewhat higher than we are justified in regarding . . . as indefinitely sustainable," says the Capital Goods Review of the Machinery and Allied Products Institute.

"Even if an adjustment to a sustainable growth rate should sooner or later be necessary, it does not appear to involve a major decline in the rate of installations. Moreover, it will be accompanied by a rising volume of normal replacement requirements."

Remember the Days?

What price price control? In fact, what control? And what of those dire predictions in early 1952 by officials of the then ruling Office of Price Stabilization that consumer living costs would take a beating of millions of dollars a year were ceilings removed—and canned goods rep-

resented 20 per cent of the average family's weekly food bill. Well, the National Canners Association has a word for it, and phonetically it sounds something like "Pfui," though there is no editorializing in the association's report.

Actual retail selling prices of canned goods and vegetables in November of 1953 were 7 per cent less than the ceiling prices of June, 1952. At that time two years ago selling prices were below the O.P.S. ceilings, and today they are only slightly higher than they were then.

Ah, those were the days—to recall with shudders.

Handout to the Lazy

When the British government refused to sanction an increase in capital of the \$12 billion United Dominions trust bank, Chairman J. Gibson Jarvie told the annual meeting of the banking company that the socialistic regime's "welfare program is pandering to the shirker and the lazy," and the "businesses should be free to function on business lines without the restrictions and regulations imposed by planners who know nothing of business."

Not so different from words heard in this country the last decade, with identical "refrain."

And the Band Plays On

Most of the 300 or more economists and statisticians attending a Washington forecasting session of the American Economic Association, American Statistical Association and other allied professional organizations, predicted a decrease of \$10 to \$18 billions from the 1953 record total production.

With 100 of the Administration's own economists participating, and anonymously, the majority opinion was that the 1954 output would be off 5 per cent from the 1953 fourth quarter rate. None agreed with the U.S. "depression" forecast in Great Britain by Australia's Colin Clark or the similar one by Eugen Varga of Hungary in the Soviet Union. On the other hand, opinion disagreed with the Administration's definition of the trend as an "adjustment" to lower prices and normal employment and production.

Addressing the Economic and Finance associations, W. Randolph Burgess, manager of the public debt and deputy to the secretary of the treasury, declared that the Administration, armed with new data on business cycles, would rely on monetary and fiscal methods to maintain a stable and growing private economy, and would try to catch speculative booms before they happen, and to correct business expansion excesses which introduce general contractions.

"There's no point in going on an eight-day jag so you can cure yourself of a hangover," he suggested.

In letters read at the sessions, President Eisenhower declared the country's experiences show the effectiveness of monetary policies that control booms as a primary means of preventing depressions.

The Farmer and Economics

THREE CHANGES underway in attitudes of American farmers are reported by Professor Murray R. Benedict of the Giannini Foundation of Agricultural Economics, University of California, in a survey issued by the Twentieth Century Fund. Says the analyst:

Today's farmers are more receptive to the idea of lowered tariffs, recognize that farm prosperity is tied to general prosperity, and are more willing to adopt some practices of socalled big business. "Should agricultural prices decline sharply," however, "there is every prospect that agitation for tariff increases on farm products will again become ac-

tive."

11

Discussing the Federal Crop Insurance Corporation, Dr. Benedict reports "indications that crop insurance is gradually emerging as one of the more settled features of American farm policy."

No More Pearl Harbors

Mobilization of American industry has been so programmed and catalogued that "we could move overnight in the allocating of different assignments, instead of mulling over it for six months," for thousands of concerns have been rated by the Defense Department for capabilities and potentialities, Charles S. Thomas, assistant secretary of defense, said in Los Angeles.

Minerals Policy

To reports by Bureau of Mines specialists that the United States is dependent on sources outside the western hemisphere for part or all of its needs in 21 key minerals, S. H. Williston, executive vice president of the Cordero Mining Company of Nevada, retorts that the Government's mineral and stockpiling policy "is absolutely in accord with the best desires of the Kremlin," a policy to "leave our own minerals in the ground and purchase from foreign sources which would not be available in time of emergency."

Of the mercury business, Mr. Williston charges that it "is faced with ever-increasing costs, steadily declining prices, a complete lack of interest by the Government, and a future which can be considered no

future at all."

All of which was in the form of testimony before a Senate subcommittee on interior matters.

Ernesta Rovelstad



... that's all we had left after fire gutted our files

(A true story based on Company File #96B8785)

Last year, we had a bad fire in our warehouse. Our property losses were about what you'd expect—\$28,000 damage to buildings, machinery, and equipment. Fire insurance took care of that.

But the cost of replacing our records...? At first, we guessed \$5,000. But as the total added up... as we started replacing inventory records, blueprints, ledgers, personnel control sheets (we were only the shell of a business without them)... that \$5,000 became \$15,000. Then \$30,000. Then \$40,000. Luckily, we had \$25,000 Hartford Records Destruction Insurance. But the rest came hard... it came out of our pocket. From now on, you can be sure our coverage will be complete.

What would it cost to replace your vital records?

Probably more—much more—than you think!

So why don't you do the wise thing now: assure their quick, complete replacement or compensation for their loss, in the event of catastrophe, with adequate Hartford Records Destruction Insurance.

It's good, broad protection. It's low-cost, too.

Ask your Hartford Accident and Indemnity Agent or insurance broker or write us for a sample policy and complete details.

Year in and year out you'll do well with the

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All Roads Leading to Sound Management Today Have This Marker

Make Customer's Business YOUR Business

ISTER CREDIT can be either the Hercules clearing the Augean stables of sloppy operation and messy

W. B. SCOTT

of sloppy operation and messy records or the disillusioned Samson tearing down the pillars of the sales structure by a super-cautious complex, and so pinning down both his company's profits

and his department's service. And in these days to come he'd better be the other Samson, the wise judge of business trend and operation.

These, of course, are exaggerated definitions of the extremities of range of credit policy. One common approach open to credit managers to

help safeguard the future of their own business and that of their customers at a time when "management is facing problems it has not had to cope with in recent years" is this: "Throw the light of thoughtful inquiry, based on sound credit policies and sound business principles, on every phase of your and your customers' operations." Walter B. Scott, Los Angeles, western credit manager of the United States Gypsum Company, goes on to emphasize the significance of good accounting records to develop better practices.

It is the job of the credit executive to keep the customers alerted to maintenance of an effective collection program, Mr. Scott declared at a Group session at the Pacific Southwest Credit Conference in Los Angeles. He linked such program to the following basic theses:

(1) Teamwork can develop plus business; (2) Use well all reports, keep your own records complete and accurate, and watch business trends; (3) Credit can develop sales, but unwisely handled can cripple your company's entire capital structure; (4) Sell your job and your company every day, by being human, sincere, natural, friendly; and (5) Above all, think straight.

More institutional publications are needed, says Mr. Scott. As proof he cites the wide acceptance of a brochure headed "Alert Your Business to Meet Changing Conditions," third of a series issued by his company. The subject, "Sound Credit Policies," is broken down into two groups, those points to be discussed with the customers, and those to be worked

How U.S. Gypsum in Brochure Helps Alert Business to Changes

Sound Credit Policies

TO BE DISCUSSED WITH YOUR ORGANIZATION

- Delegate the responsibility of enforcing this credit policy to one individual. In a large organization it will be a full time position. In a small company it will be only a part of some individual's duties. Whenever possible, credit and sales responsibilities should be assigned to different individuals.
- 2. Be certain that all your personnel know what your credit policy is.
- Determine the credit responsibility of your customer prior to delivery of materials or services. The best time to protect yourself against credit losses is at this point.
- 4. See that your lien or bond rights are preserved. Have your attorney prepare an outline of the steps to be taken to preserve these rights.
- Open a separate ledger account for each job. Insist that each job be paid in full from funds available for that job.
- 6. Mail statements for each job or account promptly at the end of each month.
- 7. Prepare at the end of each month an accounts receivable analysis, generally known as an aging sheet, which will show the following information for each account:
 - a. Name of customer-list a separate account for each job.
- b. Balance due-end of month.
- c. Age this balance in separate columns according to the month of shipment.
- d. Date and amount of last payment.
- e. The various columns on this analysis should be totaled and transferred to a summary sheet so that trends may be noted and acted upon.
- Follow each delinquent account by telephone, by personal interview or by letter, at least once each month.
- Consider placing with an attorney or collection agency accounts not paid within a reasonable time.

Sound Credit Policies

TO BE DISCUSSED WITH YOUR CUSTOMERS

- 1. Make known your terms of sale and ask how they intend to pay:
 - a. Cash at time of sale?
 - b. Cash on delivery of material?
 - c. Payment on receipt of end-of-month statement?
 - d. Some other plan agreeable to both parties?
- 2. If a customer requests time payments, refer him to a bank or other lending institution to arrange financing so that you will be paid on a cash basis or according to your terms—discount or net. Do not finance your customers beyond a current basis unless you have sufficient funds to operate a time payment plan as a separate department.
- 3. Have an understanding about prices. Are they to be those in effect currently or at time of delivery?
- 4. Is the money in the bank or is there a signed commitment for a loan sufficient to pay all labor and material bills on the job?
- 5. The estimated average breakdown of "Total House Cost" is Labor and Materials 2/3, and Other Items 1/3. Overlooking the "Other Items" often causes financial trouble. The cost of such items as the lot, utilities, landscaping, architect fees, garage, legal fees and financing should all be known before the job is started.
- 6. Does the owner have a fixed price contract from a reliable contractor who will finish the job; or is there the possibility that the work will cost more than the amount of funds available, thus leaving a shortage for suppliers at the end of the job?
- 7. Will the owner or paying agent issue orders for payment as the job progresses? Many financial problems arise when suppliers of materials learn, after their material has been delivered to the job, that "Interim Financing" has not been arranged and that no funds for materials will be released until the job is completed.
- 8. Has the title to the land been approved by the Loaning Agency? Will flaws in the title hold up funds at the end of the job?
- 9. Are all essential materials available?
- 10. Will utilities such as sewer, gas and electricity be available at the proper time?
- 11. How about insurance? Public liability claims, fire losses, workmen's compensation claims and wind-storm damage are all hazards which exist as soon as the job starts. Be certain that there is adequate protection.

out within the organization. The two charts are on the opposite page.

In another column also are presented "Ten Important Facts," subjects of schedules and example forms prepared by United States Gypsum, showing a customer's business trends for more than 41/2 years, and requiring only a half hour of the time of an auditor or bookkeeper each period when financial statements are available. (See following page).

Focus Customer's Attention

These schedules "immediately focus the customer's attention to where he has been and where he is going," and "successful management depends upon knowing trends and taking prompt corrective action when they are unfavorable. The importance of good records cannot be overemphasized," and "you can well afford to develop your sales with an

SALES were the first interest of Walter B. Scott, and today they share importantly in his position as western credit manager (Los Angeles) of the United States Gypsum Company, as he actually is a sales credit manager, with a resolve never to turn down an order.

Joining the company in 1925, after a brief training program in the home office, he was sent to Los Angeles, where for ten years be held various posts in the sales department. He was assistant to the division sales manager when he entered the credit field and was made a district credit manager. His knowledge of customers' problems and experience in selling account in part for his advancement to western credit manager, with full responsibility for credit operations in nine states.

account that maintains good accounting control of his business."

Calling salesmanship a "meeting of minds," Mr. Scott declares: "There is a romance of credit just as important and delightful as creative selling. It requires imagination, sound thinking, flexibility, and faith with understanding," and "all per-sonal success depends on the sense to know a thing, the nerve to tackle it, and the energy to push it through."

"Since sound business planning has an important credit phase, the credit manager can play a most effective role in this game of business to improve his company's position in a market, to introduce

(Concluded on following page)



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He is your local U.S.F.&G. Agent

OU'LL want to see him because he knows how to give your company maximum coverage against losses which are due to dishonesty, vandalism and accident . . . with a minimum of premium outlay.

Or if you want to see him today, there is a U. S. F. & G. agent in your community who will be glad to call on you at your convenience.

Naturally there is no obligation.



FIDELITY-SURETY

United States Fidelity & Guaranty Company, Baltimore 3, Md. Fidelity Insurance Company of Canada, Toronto

a new product, and to develop new and old customers"—all a part of the sales function.

In fact, to carry out the basic credit policy of "insuring a maximum of sales with a minimum of losses," the executive adds this:

"Every credit manager should spend some time in the sales field. Attacking a problem in the field may change your original decision. Become acquainted with your customers. Your perspective widens when you know them personally. It is hard to develop customer relationship from behind your desk."

Aggressive Collection Program

While the foundational objective of granting credit is to increase sales, it is equally true that "a liberal credit policy must be backed up by an aggressive collection program well administered," for receivables, one of the most valuable assets, are at the same time most vulnerable. "No matter how complete your credit risk appears to be, there is always the danger that unforeseen events can cause your customer to default.

"Special statements listing purchases by months, accompanied by a friendly letter, have proved an effective collection medium.

"Lien and bond rights should be preserved. These laws were created for your protection. Be sure your

10 IMPORTANT FACTS

Schedules and example forms covering the following points for management control have been prepared by United States Gypsum Company to enable dealers to compare current and past conditions, to analyze trends, and to plan for the future:

- 1. Net Profit
- 2. Sales Volume
- 3. Gross Profit
- 4. Gross Profit Percentage of Sales
- 5. Total Expense
- 6. Total Expense Percentage of Net Sales
- 7. Classification of Accounts Receivable by Age
- 8. Inventory; Number of Average Days' Sales Represented by Inventory
- 9. Working Capital; Current Ratio
- 10. Relationship of net worth and total debt



AT AN ALL-DAY CONFERENCE of the National Photographic Manufacturers and Distributors Credit Group, in Buffalo, N.Y. The meeting was arranged and serviced by the Chicago Association of Credit Men. SEATED (reading clockwise from extreme left): Ely Shamieh, Polaroid Corp., Cambridge, Mass.; J. G. Derpich and L. A. Ciemniecki, United World Films, Inc., New York City; H. D. Ogden, Graflex, Inc., Rochester, N.Y.; Kirk Fisher, Argus Cameras, Inc., Ann Arbor, Mich.; W. C. Hall, Sylvania Electric Products, Inc., Salem, Mass.; S. T. Krivit, Photographic Trade News, New York City; Jeanette Druckman, Lenco Photo Sales, Detroit conference chairman; R. H. Groppe, Arel, Inc., St. Louis, president, Chicago Midwest Group; Arlene Glaser, Radiant Manufacturing Co., Chicago; P. A. Lewerenz, Encyclopaedia Britannica Films, Inc., Wilmette, Ill.; Doris Wagner, La Belle Sales Corp., Oconomowoc, Wis.; R. L. Galloway, Eastman Kodak Co., Rochester; Mary F. Radford, Busch Camera Corp., Chicago; W. L. Haney, Chicago Association of Credit Men, Group secretary, and Marion H. Fallon, Haloid Co., Rochester. STANDING: R. H. Cogen, Intercontinental Marketing Corp., New York City; H. S. Tewksbury and B. A. Yeager, Ansco, Binghamton, N. Y.

customers use them. Do not permit them to maneuver you into playing the banker's role."

Many Lacked Written Policy

One reason the Gypsum charts received such a warm welcome, Mr. Scott recalls, was because many of the dealers did not have a written credit policy, an essential of successful operation, though without strict enforcement such a policy is no guaranty against loss.

"Never assume a large credit risk without a substantiating financial statement," the executive cautions. "The time to avoid a loss is before the shipment is delivered."

Noting that "inventory is your second most perishable asset," and that "alertness to this problem is significant because inventory may cause the customer trouble," Mr. Scott says, "Don't jeopardize financial solvency by permitting speculation." He suggests these six safeguards:

- 1. Know the turnover of all items.
- 2. Relate purchasing to current sales.
- 3. Watch for unbalanced and broken lines.
 - 4. Avoid overstocking.
- Analyze current price fluctuations.
 - 6. Check inventory periodically.

The future? Mr. Scott sums it up in eight words, at once a forecast and a signal for credit operation: "Business will be good for the good businessman."

Defense Directive Realigns Progress Payments Policy

A directive on progress payments, issued over the signature of C. E. Wilson, secretary of defense, is aimed to clarify a previous directive issued by the assistant secretary of defense for supply and logistics. According to section III-Policy, of the new directive, the following order of preference generally should be observed in determining what form of financing be recommended or made available to suppliers: (a) private financing (without governmental guarantee), (b) guaranteed loans (with financing institutions participating to an extent appropriate to the risk involved), (c) progress payments, (d) advance payments.

The earlier directive was generally interpreted as tightening the Government's policy on making progress payments available to defense contractors and had led to considerable apprehension among many large defense manufacturers, particularly those in the aircraft industry, whose outstanding progress payments aggregate several hundred million dollars. The original directive was interpreted by many as allowing no progress payments at all, so long as they had any unused bank credit available. In such event, the interest costs on the loans, as against progress payments, would be staggering and would materially affect profit and loss statements.

Tax-Saving in Profit-Sharing

Tax deduction is permissible up to 15 per cent of the total compensation of employees covered in a company's profit sharing plan, the Internal Revenue Bureau has ruled.

Contributions from one year may be deductible in a succeeding year or years.

The profit-sharing plan employs a trust, and the income and earnings of the trust are tax-exempt.

No continuing payment is required in any year in which profits fall below a certain basic minimum.

Distribution of an employer's contribution to the profitsharing plan is permitted under the income tax law so long as allocation is not discriminatory.

U.S. Business Health Good; Prepared for Readjustment

Although the post-Korea boom has passed its peak, the financial health of the nation is good, the Federal Reserve Bank of Chicago reports. "Seldom before have businessmen been so well prepared for an 'adjustment,' and were it not for the soundness of business thinking, the recent decline might have pushed the economy down at a sharper pace."

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Pointing out the strengths and weaknesses of the national economy in its monthly review, "Business Conditions," the bank notes these favorable developments: Most measures which have recorded a receding since last spring are still well above year-ago levels, which in turn were the highest on record up to that time. Nationwide unemployment remains low. Personal income holds steady. Business investment in new plant and equipment will be close to 1953's records. A government study indicates construction activity may reach within 2 per cent of the 1953 total.

Increased Layoffs in Midwest

On the unfavorable side, the Reserve bank notes the following. Volume of sales moved downward since April while inventories chalked up a steady gain. Only a few industries experienced a pickup in fall output over that of last spring. Although moderate gains were made by paper, chemical, oil and electronics, growing inventories in some of these lines portended a production slowdown, and a further drop in output may be anticipated.

While national employment remains high, unemployment is increasing in the Midwest, the bank finds. The localities experiencing the greatest drop in employment are chiefly "one-industry towns," where output of such products as automobiles and farm implements has been cut back. Unskilled and semi-skilled factory workers are feeling the brunt of the layoffs.

Detroit has the highest percentage

of unemployed-about 75,000, compared with 20,000 last June. Currently a large number of additional workers were temporarily idle as a result of model changeovers by automobile manufacturers. Milwaukee unemployment rose to 13,000 in September, compared with 9,000 a year ago. Although factory workers have been laid off in Chicago, the industrial diversification of the area has enabled a large proportion to find other jobs and there is a substantial surplus of jobs in Chicago.

Food: Market vs. Farm Prices

Since October, 1952, inflexible marketing costs have held food prices to a 1 per cent decline, whereas farm prices dropped 11 per cent in the period. "Why haven't food prices gone down as much as farm prices?" The Federal Reserve of Chicago poses and answers the question. The chief reason is that the prices of food at the local grocery store include much more than prices paid to farmers. From 30 to 90 per cent of the final price of food covers charges for shipping, storing, processing, packaging and distributing-charges scarcely affected by the supply and demand factors in farm prices.



Con-current records on the credit standing of customers is essential in any Con-current records on the credit standing of customers is essential in any charge account business. It is essential too that such important papers be maintained in orderly arrangement and preferably "bound in." Smead's Filebinder is a natural for this purpose. A simple, quick and easy filing and finding method is to file these credit histories in a Red file for immediate color signaling, behind the customer's individual file folder. Thus all customers' correspondence is in a single filing system but with the important "not to be transferred" papers conveniently segregated in an orderly "bound in" unit.

The Smead Manufacturing Co. Inc.

Complete with SMEAD FASTENER as illustrated

No. 615-CR — SIZE 11¾" x 9½",6", 1" Capacity, Red System Tabbed — All Righthand Tabs 2/5 Cut PACKING — 50 to a box

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Please send Credit History	me a free File 615CR.	sample	of	your
Name				
Title	Firm.			
Address	*			
City		State	_	

Business Builder

E. WILLIAM LANE

Treasurer, American Screw Company, Willimantic, Conn.

MY conviction out of 30 years in the credit field is that a credit executive cannot do much to aid in wider distribution of his company's products.

As a business builder, that is different. In meeting these people who visit your plant, and in your correspondence with your customers, you do have an opportunity to offer them assistance from time to time when an emergency exists.

I think it is a good policy in business to let them know you are not just a source of supply but are a friend who is anxious and willing to establish the best of relations.

There are times when the best of them get into a situation where they need help. A most recent one was at the time of the floods out in Kansas and one of our very best customers was hard hit. We immediately got in touch with the company and offered it an extension on its account until such time as its losses could be adjusted and the company could get back on its feet. The head of that business is now a personal friend from that act alone. I call this building business for the future.

There is very little a credit manager can do for public relations, but he can accomplish very much for customer relations.

The importance of close relationship to top management is something that credit managers often overlook. Top management is interested in what is going on in the credit department. A credit manager should keep top management posted as to the problems facing him and the way he is solving them, and request he be advised whether this is in line with the thinking of top management. Let top management know your problems and your methods of meeting them. You also should have friendly relations with your sales organization, and that goes from the salesmen on the road to the vice president in charge of sales. If you don't do this, how is top management going to evaluate your position with the company and your conduct in your assignment as credit executive?



E. William Lane

BACKSTRAND

FROM PAGE 8

credit manager of the Armstrong Cork Company by its executive management.

Specifically, the responsibilities of our general credit manager may be outlined briefly as follows:

(1) Establish, maintain and carry out sound and workable credit and collection policies.

(2) Achieve a satisfactory turnover of the company's investment in accounts receivable.

(3) Maintain established regular terms of sale.

(4) Consult with the company's sales executives in determining desirability of any changes in sales terms, and on special credit problems

(5) Maintain sound book values of customer accounts by setting up proper reserves and by taking prompt action as to accounts actually or potentially uncollectible.

(6) Cultivate customer goodwill at all times.

(7) Select, train and supervise credit department personnel.

(8) Work closely with district office managers and salesmen in their contacts with customers on credit matters.

(9) Develop and maintain contacts with effective outside sources for procuring credit information and for keeping abreast with business trends in the diversified fields in which the company operates.

We believe that our general credit manager and his staff are meeting their responsibilities well.

They Participated in Management Study

C. J. BACKSTRAND, graduate of Pomona College at Claremont, Calif., and the University of Pennsylvania, and holder of the honorary degrees of doctor of laws, Elizabethtown College, and doctor of commercial science, Franklin and Marshall College, started his 33 years with the Armstrong Cork Company as a student salesman in the floor division. Successively in that division he became San Francisco district manager, assistant sales manager at the home office in Lancaster, assistant general sales manager, general sales manager and general manager.

In the head organization of Armstrong Cork Company he was named a director in 1935, vice president three years later, then vice president attached to the president's office, vice president in charge of manufacture, next to administration working directly with the president's office, in 1945 was elected first vice president, and in 1950 president. He headed the War Production Board's linoleum unit, floor covering and upholstery section—textile branch. Besides his many committee memberships he became a director of Hamilton Watch Company in 1945.

Melvin H. Baker, chairman of National Gypsum Company, Buffalo, N.Y., after studying at Carson-Newman College in Tennessee began as a salesman with Willer Mfg. Co. in 1908, joined the Beaver Board Co. and became sales manager, gave up vice presidency of The American Manufacturers' Foreign Credit Underwriters to help form National Gypsum Co., of which he was vice president until 1928, when he advanced to president. Since 1951 he has been chairman.

He is a director of the Manufacturers and Traders' Trust Company, Kellogg Petroleum Products, Inc., and Strategic Materials Corp., all of Buffalo. He was a director of the U. S. Chamber of Commerce, is now a director of the National Industrial Conference Board, and the National Association of Manufacturers, and is chairman of the Buffalo Redevelopment Committee. Besides honorary degrees of doctor of commercial science, Carson-Newman College, and doctor of science in business administration, University of Maryland, he has a number of citations as an industrialist and community leader.

WILLIAM A. BURNS, JR., as president of Trailmobile, Inc., of Cincinnati, Ohio, writes from the experience of manufacture and sale of truck-trailers and a company policy of offering financing on a long-term basis.

HERBERT F. KRIMENDAHL has been president of Stokely-Van Camp, Inc., Indianapolis, since 1948, after having been vice president, Stokely Foods, Inc., Indianapolis, 1944-46, and executive vice president of Stokely-Van Camp 1946-48. He was named president of the export corporation in 1948. He began in 1919 with Crampton Canneries, Celina, Ohio, his birthplace.

and was president of the canning organization from 1923 to 1944.

Other offices held include presidency of the National Canners Association 1940; ohairman of the board of W. R. Roach & Company, Grand Rapids, 1941-46; a War Production Board administrator (dollar-a-year) 1942; member of the advisory committee research and marketing, Department of Agriculture, since 1942. He has directorships in a number of banks.

E. WILLIAM LANE, associated with the American Screw Company of Willimantic, Conn., for more than 35 years, the last 12 as treasurer, has had charge of the credit department for over 27 years.

Mr. Lane is a past vice president, eastern division of the National Association of Credit Men, and has held posts as National director, chairman of the National Hardware Manufacturers Group and chairman of the eastern division of the National legislative committee.

Member of the Rhode Island Association of Credit Men 26 years, he was president two years and has served as counsellor, director, treasurer and vice president.

He is a graduate of Northeastern University.

EARL R. MELLEN, graduate of Massachusetts Institute of Technology, 1916, started with Weston Electrical Instrument Corporation in 1917. He has held successively the positions of credit manager, treasurer, vice president and executive vice president and treasurer, and president since 1947. He is a member of the board of managers, Howard Savings Institution, Newark, N.J., and a director of Firemen's Insurance Company, Newark, N.J.

He is past president of the New Jersey Association of Credit Men and National Electrical Credit Association, and past director of the National Association of Credit Men.

H. Dale Palmer, president and director of the Detroit Steel Products Company, entered employ of the company in 1922 in the accounting department. Six years later he was named credit manager, in 1934 assistant treasurer and in 1947 vice president. He has been president and director since 1951. He served as president of the Detroit Association of Credit Men 1939-40 and has been a director of the Romeo (Mich.) Savings Bank since 1949. Mr. Palmer holds a degree (LL.B.) from the Detroit College of Law.

SIDNEY A. STEIN, who holds both bachelor of law and master of law degrees, is president of Congress Factors Corporation, New York City, a director of the New York Credit & Financial Management Association and the New York Credit Men's Adjustment Bureau, as well as vice president and director. Credit Men's Fraternity, Inc., and executive chairman, Uptown Credit Group Inc. He is a member of the National Association of Credit Men, The "475" Club and Esquire Credit Club, and past president of the Topper's Credit Men Club

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cepted by American business (our 1953 advances for working capital purposes alone amounted to over 600 MILLION DOLLARS). It is free of any preliminary costs and our one reasonable charge is a tax deductible expense.

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UP THE EXECUTIVE LADDER

ROBERT S. WHITE has been advanced to president and general manager of the Banks-Miller Supply Company, Huntington, W. Va. He began with the company in 1926 as credit manager and treasurer. For many years Mr. White has been a leader in credit and association activities in the West Virginia area, and with the Huntington association in particular.

On graduation from the University of Michigan in 1914, he was variously employed until 1926, interrupted by a period of service in the U. S. Army in World War I. He was born in Kansas and resided in Blissfield, Mich., a number of years.

search engineer for the National Advisory Committee for Aeronautics, and was a Navy lieutenant, joined Thatcher in 1948 as a salesman. He is a member of the class of 1955, Dartmouth, N.A.C.M. Credit Research Foundation's Graduate School of Credit and Financial Management.

ROBERT L. MORRIS, advanced to credit manager of the Thatcher Company, had held the assistant credit managership for 16 months. Prior to joining Thatcher he had been on the sales staff of the Elmira Tobacco Company for three years.

Mr. Morris is a graduate of Syra-

president and controller (1943). For several years he was a member of the Special Commission on Economics at Claremont (Calif.) College, and subsequently became associated with the Security-First National Bank of Los Angeles.

Mr. Powlison is a member of the Controller's Institute of America and a trustee of the Controllership Foundation, the Joint Council on Economic Education, the Phi Gamma Delta Educational Foundation, and a director of the American Management Association. He is also a member of the Council of Financial Executives of the National Industrial Conference Board. A graduate of



J. S. STURGEON



E. A. MAYER



DAVID J. YAEGER



ROBERT L. MORRIS



H. C. KING



K. E. SIDLE



KEITH POWLISON

JOHN S. STURGEON has been elected vice president of The Magnavox Company, Fort Wayne, Ind. He continues his duties as treasurer, post to which he was appointed in 1949. Mr. Sturgeon joined Magnavox in 1940 as controller. Previously he had been senior accountant with Price, Waterhouse & Company in Chicago, and in a similar capacity with Haskins & Sells, New York City. He is a graduate of Yale University.

EDWARD A. MAYER, a vice president and director of William Iselin & Company, Inc., has been named to head its mid-western factoring unit in Grand Rapids, Mich. With the organization 21 years, Mr. Mayer was transferred from the main office in New York to Grand Rapids in 1937. He has served as credit manager of the operation there, was elected an assistant vice president in 1946 and a vice president in 1951.

DAVID J. YAEGER has been advanced to director of purchases of Thatcher Glass Manufacturing Company, Inc., Elmira, N.Y., and ROBERT L. MORRIS takes over Mr. Yaeger's former post as credit manager.

Mr. Yaeger, who had been a re-

cuse University, where he was elected to Scabbard and Blade honor society. He holds a reserve commission as second lieutenant in the Signal Corps, and is active in the Junior Association of Commerce.

Mr. Morris expects to enroll for the 1955 session at Dartmouth.

The Ohio Oil Company, Findlay, has named Howard C. King to the new office of financial vice president. Mr. King joined the company 32 years ago as clerk in the production accounting department of the general office at Findlay. He was transferred to the federal tax department in 1922, was made department head in 1923, assistant treasurer in 1930, and controller in 1941. He has served as a director since 1946.

Mr. King, who had been civil engineer with a Cleveland construction firm and partner in a Findlay tire store, served with the 20th Army Engineers in France in World War I.

KEITH POWLISON, Armstrong Cork Company, Lancaster, Pa., has added the duties of secretary to the vice presidency he has held since 1943. He has been successively assistant treasurer of the Armstrong company (1932), treasurer (1938), and vice Columbia University, he holds a Ph.D. in economics from Johns Hopkins University.

KERMIT E. SIDLE, appointed assistant treasurer of Ciba Pharmaceutical Products, Inc., Summit, N. J., formerly was assistant controller. Bart C. Kelleher, previously internal auditor, succeeds him as assistant controller.

Mr. Sidle, a native of Bismarck, N. D., holds a B.A. in economics from George Washington University and a B.Sc. degree in business administration from Benjamin Franklin University. He became associated with Ciba in 1940.

H. W. GILLESPIE has been named vice president, National Glaco Chemical Corporation, a subsidiary of Ekco Products Company, Chicago.

GEORGE C. SMITH has been appointed an officer of the Federal Reserve Bank of New York, with the title of manager. His duties are in the collection department. He has been a senior bank examiner, a special assistant in the cash and collections function, and chief of the currency sorting and counting division of the Federal Reserve Bank.

Delaney Is President of New Stevens Financial Corporation

Harry J. Delaney has begun his duties as president of Stevens Financial Corporation, newly organized subsidiary of J. P. Stevens & Company, Inc., New York. The new corporation, with functions and operations separate from J. P. Stevens & Co., was formed to engage in general factoring and other types of financing.

Mr. Delaney, whose article on the importance of socalled plus-values of the potential account in a competitive era was a feature of the January issue of Credit and Financial Management, was then executive vice president, secretary and a director of Meinhard & Company, Inc., with which he had been associated 30 years. Previously he had been with the Farmers Loan and Trust Company and the National Credit Office, Inc., after starting with the former R. G. Dun & Company.

A past director of the National Association of Credit Men and past president of the New York Credit and Financial Management Association, Mr. Delaney had joined Meinhard as credit manager in 1924.

At Meinhard, Fred Meissner has been advanced from president to

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chairman of the board and Charles L. Harding is the new president. He had been a vice president since 1945.





H. J. DELANEY

A. H. WRIGHT

Cooper Heads New Institute

The newly organized Institute of Management Sciences has as its first president William W. Cooper, associate professor of industrial management at the Carnegie Institute of Technology. The object of the institute is to disseminate information on technological advances related to the business world, specifically at the management level.

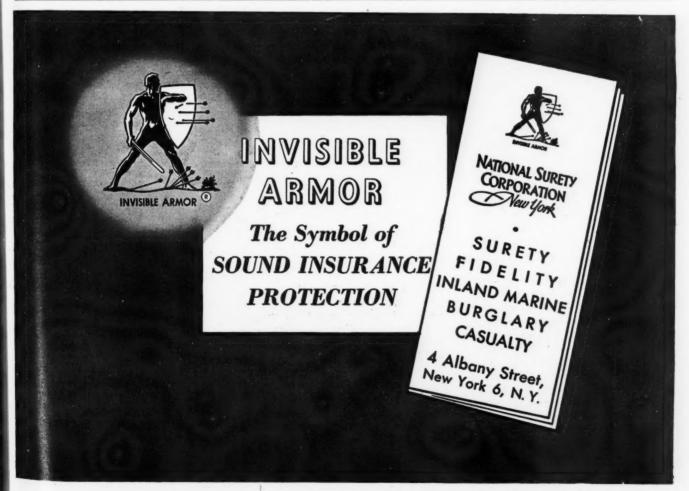
Accountants Name Foye

Arthur B. Foye, senior partner in Haskins & Sells, New York, is the new president of the American Institute of Accountants. He succeeds Jay A. Phillips of Houston.

From Stock Clerk to Assistant Secretary and Credit Manager

Thirty-two years ago, when A. H. Wright was graduated from business college, he applied for a job at the B. K. Sweeney Company of Denver, Colorado. He was accepted as a stock clerk. Since then he has progressed through all departments of the business, moving up each time. In 1946 he was made assistant secretary of his company. Now he has added the responsibilities of credit manager. Over the years he has been active in the credit field. As a mark of appreciation he recently was elected to the presidency of the Rocky Mountain Association of Credit Men at Denver.

Donald E. Garretson has been appointed chief accountant of Minnesota Mining & Manufacturing Company, St. Paul. He has been employed by "3M" since 1950. Born in Winnetka, Ill., Mr. Garretson holds a bachelor's degree from Washington and Lee University and a master's degree in business administration from Harvard University. He is a member of the Minnesota Society of Certified Public Accountants and the Institute of Internal Auditors.



Legal Rulings and Opinions

Du Pont Success No Crime

After six long years and 7,882 pages of testimony the U. S. Department of Justice charges against E. I. du Pont de Nemours & Co., as they relate to the company's cellophane operations, were dismissed. The United States had filed the civil suit under the Sherman Anti-Trust Act in December 1947 and the case came to trial early in 1951. The Government's case was built on Du Pont's activities in the production of cellophane, for which the company had spent millions in research and development.

The ruling by U. S. District Court Judge Paul Leahy held that "the record reflects not the dead hand of monopoly but rapidly declining prices, expanding production, intense competition stimulated by creative research, the development of new products and uses, and other benefits of a free economy."

Perhaps of greatest long-range significance for business was Judge Leahy's statement that "Du Pont nor any other American company similarly situated should be punished for its success."

Amended Tax Claim

The U.S. court of appeals upheld a ruling of a U.S. district court in California which had reversed a was no testimony that subsequent payments by prime were directly to labor payment.

Contract and Safe Deposit

When members of a union sought to withdraw the cash from their union's checking and savings accounts, and from a safe deposit box, in the ensuing action the appellate court of Illinois ruled:

"Subject to certain exceptions, a savings account can only be withdrawn upon presentation of the deposit book. If the book gets into



PANELING TO KNOWLEDGE. Among the speakers on insurance problems before the Syracuse Association of Credit Men were (l to r) Thomas D. McMullen, American Lumberman's Mutual Casualty Company, who was the moderator; Maxwell D. Rudgers, production manager, Lumberman's; Archie Mabon, Merchants National Bank, president, Syracuse association; Donald E. Shopiro, president, Syracuse Life Underwriters Association. Panel speakers not in the picture: Forrest H. Witmeyer, president, Excelsion Insurance Company, and George Wright, assistant treasurer, Carrier Corporation.

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KIRK PLASTIC CO. 168 E. Jefferson Blvd., Los Angeles 11, Colif. referee's order sustaining objections of the trustee in bankruptcy to an "amended additional claim" for federal income taxes against the bankrupt and his wife. The bankrupt was a "party aggrieved" within the meaning of Sec. 39(c) of the Bankruptcy Act. The amended claim merely brought forward and made effective the tax indebtedness of the bankrupt to the United States asserted in the original claim.

Rights of the Assignee

It is not always essential that an obligor formally accept an assignment by the obligee in order to be bound thereby, the supreme court of Mississippi has reaffirmed.

A prime contractor had made progress payments to meet payroll requirements of a subcontractor, who had assigned the prime's obligation to the plaintiff bank in order to raise money to meet the payroll. The bank's immediate notice of the assignment to the prime contractor had gone unacknowledged. There

unauthorized hands, the rights and liabilities of the bank and depositor are subject to the contract between the parties pertaining to the deposit . . . Before paying without presentment of the book, the bank may require an indemnifying bond. . . .

"... The relation between a safe deposit box lessee and the bank is that of bailor and bailee, subject to the terms of the contract between them, which, according to usual custom, requires, for access to the box, both the key and the signature of a designated person."

Blanks on Instruments

The court of appeals of Georgia, division number 2, held that a person delivering a negotiable paper which has been signed by him and which contains blanks obviously meant to be filled in, creates in the recipient an implied authority to complete the instrument in the way apparently contemplated by the maker.

Keys to Profit: Avoid Waste, Even Out Outputs, Improve Quality, Sell Better

With the return to the buyer's market here, this is the time to dig a little deeper, look a little closer, and be a little more conservative in all types of credit extension, Shandor M. Zinner, vice president, Walter E. Heller & Company, Chicago, told delegates to the ninth annual convention of the Commercial Finance Industry, in New York. He reads with optimism the future of the financing industry, with no early prospects of an excess of capital funds in commercial financing, although there are signs of it in the consumer finance business.

"In our shift from a situation of over-full employment to one of nearly full-employment, from over-capacity output to near-capacity output, with the consequent need for strengthening our national economy," said Herbert R. Silverman, vice president, James Talcott Inc., New York, and board chairman, National Commercial Finance Conference, "management must face up to and tackle the problem from the following four bases of attack:

(1) Root out wasteful production practices; (2) plan and schedule production so as to even out peaks and valleys in output; (3) improve the quality, variety and performance of the products turned out by industry; and (4) reorganize sales organizations and promotion programs to do a more efficient selling job.

These were keynote views expressed at the convention, which emphasized developments and trends in commercial financing and in factoring, as well as significant trends in commerce and banking.

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An all-day panel on business,



SHANDOR M. ZINNER

legal, financial and operational problems in the commercial finance industry had as moderator Milton P. Kupfer, of Kupfer, Silberfeld, Nathan & Danziger, New York, and general counsel to the conference, with the following panel members: (nonindustry) Bertram Bennett, Jenkins, Bennett & Jenkins, Philadelphia; Milton J. Drake, vice president, The Detroit Bank, Detroit; Joseph Eisner, C.P.A., Eisner & Lubin, New York; (industry) Thomas Lefforge, executive vice president, Commercial Discount Corporation, Chicago; Harold Seder, vice president, General Discount Corporation, Boston; and J. Martin Seiler, executive vice president, A. J. Armstrong Company, New York.

Professor Raymond Rodgers, of New York University's graduate school of business administration, and a member of the faculty of Credit Research Foundation's two Graduate Schools, pictured the outlook for interest rates; Dr. H. E. Luedicke, editor, The Journal of Commerce, New York, spoke on business prospects for 1954, and the Hon. Alexander Wiley, U.S. Senator (Wis.) addressed the group on American foreign policy.

Referring to the new Uniform Commercial Code, which becomes effective in Pennsylvania in midyear, Mr. Zinner cautioned against permitting the over-simplification embodied in the act to lull lenders into a sense of false security. While the Code grants certain liberalized privileges without impairing lien rights, that fact by no means assures that the cash or merchandise will be there when the lienors want to take possession. He urged lenders to maintain proven policing practices to insure safe secured lending.

Builders Expect a Busy Year; Enlarging Houses on Program

Most building contractors expect to be busier this year than last, although the pressure for housing is off, and the remodeling and enlarging of small houses will loom large in this year's picture, most of 114 building firms in 11 states reported in a survey conducted by Standard Factors Corporation. New home construction completed by these firms in 1953 approximated 5,000 units, sold for \$60 millions. The total value of construction, limited to new, non-farm home starts for 1953, is estimated at \$11.7 billions.

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BORROWING MONEY FROM YOUR BANK. This bulletin describes what the banker can do for the businessman, as well as what the businessman should do for the banker to enable them to do business together. Free. Write for Management Aid No. 33. U. S. Department of Commerce, 221 N. LaSalle St., Chicago 1, Ill.

YOUR FUNDED PENSION PLAN-This booklet has been written in easyto-understand language, and illustrated with two-color cartoons. Its purpose is to provide employees with a better understanding of pension plans and the reason why retirement benefits must be on a reasonable basis. Sample copies are available to employers from the Employee Benefit Plan Review, 166 W. Jackson Blvd., Chicago, Ill.

Business Statistics-1953 Biennial Edition—The latest in a series of statistical handbooks for businessmen and others interested in following business trends. This is a ready source of historical data and basic reference information for use of analysts of current business conditions, business programs, marketing, or research in economic trends. 320 pages. Price \$1.50. Write Superintendent of Documents, U.S. Government Printing Office, Washington 25.

YOUR RIGHTS UNDER STATE AND LOCAL FAIR EMPLOYMENT PRACTICES LAWS. This booklet explains the laws governing fair employment practice. Listed are the states that have adopted such legislation. 24 pages. Price 15c. Congress of Industrial Organizations, 718 Jackson Pl., N.W., Washington 6, D.C.

Informative reports, pamphlets, circulars, etc., which may be of interest to you. Please write directly to the publisher for them. CREDIT AND FINANCIAL MANAGEMENT does not have copies available.

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EFFICIENCY TIPS

348 - Underwood Corporation's "Prepare Your Accounts Payable with Underwood Sundstrand." Fullsize ledger sheets show how this machine does accounting tasks, rapidly, easily and automatically, also how its numerous automatic features streamline the operation.

349-HALSEY STUART & COMPANY offers to send the booklet "Investment Merits" and companion tax chart on request. This gives a better understanding of municipals and their advantages for you.

350-COLUMBIA RIBBON & CARBON MFG. Co. has a new illustrated catalog covering ribbons, carbons and hectograph products. The 20-page brochure contains useful information for buyers and business machine operators, as well as product photographs and descriptions.

351 - EASTMAN KODAK COMPANY'S folder, "Verifax Copying for Every Office," is available on request. This explains the Verifax Process for making multiple copies in less than a minute on ordinary paper, and covers in detail the equipment needed

352—HAMILTON MANUFACTURING COMPANY in the booklet "Better Seating Means Better Work" describes the line of "Cosco" office chairs, with details, specifications on construction, prices, and reasons why they are said to reduce fatigue and increase efficiency.

353-Dukane Corporation uses a folder, "Point Your Finger and Talk," to tell the story of the Flexifone intercommunication system, and how to plan a system to meet your communication needs with a few basic units. The various units are illustrated and described, as are the Flexifone accessories.

BOOK REVIEWS

THE SALE BEGINS WHEN THE CUS-TOMER SAYS No-By Elmer G. Greenberg-\$3.00. Leterman. Publisher, 201 E. 57th St., New York, N.Y.

+ Acknowledged as one of America's master salesmen, Elmer Leterman has a unique method of getting around a big "No" from some of the biggest individuals and firms in the country. He has based this book on his own experiences as a successful salesman, for all sales-minded individuals seeking new and different ways to put their product across. In addition, 65 or more noted "salesmen" contribute the story of their most exciting sales. The illustrations by Dave Pascal, cartoon-style, add much to the interest and excellently illustrate the anecdotes.

Recording

EASY LESSONS IN RELAXATION by Arthur T. Dalton, Sales Manager, Chicago Wheel & Mfg. Co., 1101 West Monroe St., Chicago 7, Ill., 78 R.P.M. \$1.95. R.C.A. Victor for Relaxation Records, 520 North Michigan Ave., Chicago 11.

+ Conceived out of the experience of a hospitalization from overwork is this record, a positive lesson in relaxation by the use of recorded simple exercises.

But, Mr. Dalton writes us, "we should not recommend to any readers that they follow the same track with a coronary thrombosis." We agree that the recording can be helpful if put to work.

Herb Graffis, Chicago Sun-Times, told in his column how Mr. Dalton had overstretched his confidence in a "rawhide constitution" into a long stretch in Presbyterian hospital there. Contrary to common experience in such instances, Mr. Dalton's concentrated study of relaxation actually "relaxed him out of the hospital." The recording is of his own routine "of lazy exercises."

One side of the record is introductory. The other side takes one into the actual exercises. Music is introduced toward the end with excellent psychological and soporiferous effect. M-m-m . . .

Books reviewed or mentioned in this column are not available from CREDIT AND FINAN-CIAL MANAGEMENT unless so indicated. Please order from your book store or direct from the publisher.

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- "... solved my company's specialized billing problem."
- "... developed a trial financing plan . . . sales increased . . . now being installed company-wide."
- "...since beginning in 1951 ... 2 raises ... promotion to Treasurer."
- "...lacking formal education, was stymied in my job . . . progress already evident."
- "... Our foremen complained they couldn't tell 'where they stood' with old control system. Now able to tell exactly 'where they stand.' "
- "... contemplated company reorganization crystallized by my Graduate School work. Now in effect."
- "... Already, some of my suggestions have resulted in company savings greater than the cost of 3 years at the Graduate School."
- "... Attendance at the School and research and writing of my Management Study Report are two of the most important things that ever happened to me."

EMPLOYERS SAY:

An electrical appliance distributor

"... We are quite sure that he will take the third year ... I assure you that both the first and second year have done a great deal toward improving the operation of our business."

A metropolitan bank

"... He has benefited tremendously from the three year program, ... the knowledge acquired and contacts made will stand him in good stead in the years to come."

A small wholesaler

". . . The Graduate School has helped him grasp, with confidence, the additional responsibilities that are being directed to him every day."

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introducing new office equipment and systems to effect economies in labor and costs, as well as to speed production of essential office work



New Carrying Case Available

An "on the street" carrying case for letters, files or other material of a similar nature has been announced by SMEAD MANUFACTURING COMPANY. Inc., Dept. 4-2, Hastings, Minn. The Glyd-Loc fastener used in the case has an easy opening and positive closing action. The leather-like finish will withstand moisture and humidity, does not soil easily, and will not rub off. It is said by the manufacturers to be especially longwearing and economical. It is now available in four sizes with a 13/4" expansion and four sizes with a 31/2" expansion, in note, letter and legal dimensions. The expanding file is indexed A to Z. A legal size sample will be provided free of charge if requested on your company's letterhead.

New Departure in Filing

Offices making frequent reference to extensive card or folder files will find unusual interest in the Quick-Quest, a new filing device which will remain open at any desired point of reference until manually closed.



When file material is opened to a particular point, the adjustableposition, two-way throw plate forms a "V" opening which gives complete visibility, or, alternately, permits withdrawal of the desired information and refiling without a search for the correct place. Changing file loads are accommodated by a channel extending the entire length of the base, in which throw-plates can be adjusted at ½" intervals. This feature, according to the manufacturer, WOODALL INDUSTRIES OF CALI-FORNIA, 1970 Carroll Ave., San Francisco 24, Calif., prevents cards from "riding," and file items, even single sheets of paper, from buckling or falling flat. Models range from the 3"x5" filing card to legal file folder sizes. Additional throw plates in all sizes can be obtained separately. They are available for use on desk tops, in both 4" and 10" depth desk drawers and in filing cabinet drawers. The manufacturer will be glad to send literature on request.



Nine-Section Desk Organizer

A new type desk organizer called the CLEAR VUE is available from the manufacturer, MAYER MANUFACTUR-ING CORPORATION, 3130 West 51st St... Chicago 32, Ill. It is designed to hold heavy correspondence, folders, catalogs and large and small papers. Nine sections are separated by wire separators, one inch apart, equipped with rubber feet to prevent scratching, and a white strip-in label holder for each compartment. The open, unobstructed dividers provide a clear view for quick selection. The size of this all-metal desk organizer is 10" long, 8" wide and 91/2" high. It is available in brown, gray and green Hammertone, finished to match standard office equipment colors.



Push-Button Tape Sealer

The three-inch MAZURMASTER, manufactured by A. C. HUMMEL COMPANY, 5341 Kennedy Ave., Cincinnati 13, Ohio, is a push-button automatic gummed-tape sealing machine designed to give accurate measurement of tape. The operator presses the button indicating the tape length needed, and pulls down the handle. Other features include controlled-tape tension, adjustable tape feed rollers, precision ground knife, and positive moistening control through the exclusive Water-Flo brush with a backbone. The body is of cast aluminum in hammered gray finish with black trim. The parts contacting the water are of stainless steel, while the water well is porcelain enameled.

All-Purpose Cash Register

An all-purpose machine, designed for small and medium-sized companies, is the REGNA CASH REGISTER, which also serves as an adding and



bookkeeping machine. The machine features an easy to read and operate push-button keyboard, easy-view tape roll, and two control locks which permit removal of the cover for checking totals and sub-totals, and thus ascertaining if the cash and registered amounts balance at the end of the day. A curved window shows the amounts rung up and a double ribbon printing mechanism prints double cash receipts. Tape rolls are easily changed by removing the back cover, opened by the owner's key. The machine has individual keys for Received on Account, Paid Out, Credit Sales, Error Releases, and a Multiplying Key. All interior metal parts are cadmium coated. exterior parts are chrome plated, and the machine is finished in durable baked enamel. For more information write REGNA CASH REGISTERS. Inc., 175 Fifth Ave., New York 10,

File Vault Is Safety Cabinet

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An attractive safety cabinet known as the File Vault has been put on the market by the Cole Steel Equipment Co. Inc., 285 Madison Ave., New York 17, N.Y. The "File Vault" contains two regulation letter-size, ball-bearing file drawers, and two



double drawers with a capacity of 6400 3x5 or 4x6 cards, which also can be used for leases, contracts or cancelled checks. In addition there is a secret vault protected by a 4" combination dial lock, hidden from view by outer doors under lock and key. There are three adjustable compartments for books, as well as a large shelf, 30" wide and 17" deep, for supplies. The "File Vault" has an overall size of 60" high, 311/2" wide and 18" deep. It is available in olive green or gray baked enamel finish. Write the manufacturer for price and more details.

When writing to the makers of these products please mention that you read about them in CREDIT AND FINANCIAL MANAGEMENT.



Automatic Electric Stapler

Here is an ingenious stapling machine which, according to the manufacturer, The STAPLEX COMPANY, 770-772 Fifth Avenue, Brooklyn 32, N.Y., cuts stapling time and costs appreciably. Work is fed to the machine by simply inserting the paper (reports, booklets, envelopes, records, price tags or anything that can be stapled), and the staples are driven automatically. There is no set time cycle, no levers or foot controls to operate. Staples are driven as fast as the work can be fed to the machine. The machine works on a solenoid principle and there is no motor to turn off, or to produce a hum. The single contact operation is said to prevent jamming or slipping. Stapling position is visible and is adjustable to a depth of 41/4". Standard staples are used, and reloading takes but a few moments, without use of any special tools. The machine is light in weight, can be plugged in anywhere and moved from desk to desk at will. The manufacturer will be glad to send more data and price.

Money Chest, Record Container

A new combination money chest and record container, designed to protect cash from burglars and important records from fire, has been developed by the Mosler Safe Company, Hamilton, Ohio. The unit is anchored in a steel-clad, reinforced concrete block, too heavy for burglars to cart away. An armored-

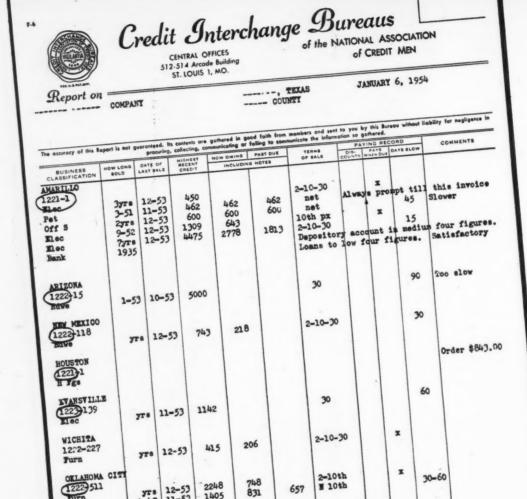
steel burglary-resistive money chest has been built into the upper portion of the concrete block for the protection of large sums of cash. To protect important records and ledger books, a fire-resistant record container has been anchored in the lower portion of the block. The record container is also large enough to hold several cash register trays for safe-guarding overnight. Both money chest and record container have individually operated "Counter-Spy" combination locks. The money chest is equipped with an Underwriters' Laboratories tool-resisting label as well as a relocking device label for added protection against attack by drills, sledges and explosives. Write the manufacturer for folder and full



Self-Packaging Paper

A new type wrapping paper, claimed to require no twine, tape or staples, has been introduced by the SHERMAN PAPER PRODUCTS CORPORA-TION, 156 Oak St., Newton Upper Falls, Mass. Known as Spot-Seal, the product is made of kraft paper laminated to a film of cohesive rubber, and will form a tight dustproof package without sticking to objects enclosed in it, according to the manufacturer. Some of the features stated for this new wrap are: protects delicate surfaces; forms a tamper-proof package since it is not possible to open the package and then reseal it; dustproof, the rubber surface gripping the sheets together to prevent dust, water, dirt or foreign material from seeping through; treated for water-repellency, with cohesive rubber serving as a waterproof barrier. Write the manufacturer for more data.

OLD credit information may mean NEW losses



How old is the information in YOUR credit files

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As every Credit Executive knows, the value of credit data is dependent on its age If out of date, it is misleading and dangerous.

See how clearly the age of information is indicated by Credit Interchange. In the report shown here, the date in the heading is the date the report was assembled The figures circled in the left hand column indicate the dates on which members in the various markets were asked for information. Viz: In Amarillo, it was December 21st in Arizona, December 22nd, etc. The "Date of Last Sale" column is also helpful It shows whether the experience is on active or inactive account—definite indication of the age of the information.

Out of date information may mean new losses. Be sure that your credit files carry recent data . . . Ask the Bureau serving your area for details-no obligation, of course.

If you prefer, write

Credit Interchange Bureaus NATIONAL ASSOCIATION of CREDIT MEN 512-14 Arcade Building ST. LOUIS 1. MO.



12-53

CREDIT MANAGEMENT

Highlighting News Activities-National, Regional, Local

30 Groups Line Up Industry Day at San Francisco

By ROBERT L. ALLEN

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General Credit Manager
D. Ghirardelli Chocolate Company
San Francisco, California

CHAIRMAN, GENERAL INDUSTRY
MEETINGS COMMITTEE

Mr. Allen, past president of the Credit Managers Association of Northern and Central California, helped organize the Food Products Manufacturers Group and the Foreign Credit Chapter.— Ed,

AY EIGHTEENTH! There's a date for financial management folk to fix in mind right now, because it promises each of them an abundance of plus-values. May 18th is Industry Group Day in the calendar set for the 58th Annual Credit Congress, May 16 through 20, in San Francisco, California.

Thirty Industry Groups are set for meetings on Tuesday, the 18th. So important have these Group Meetings proved that a Credit Congress without a day devoted exclusively to them would evoke a coast-to-coast protest. General sessions of the Convention are dispensed with for that day. Delegates go into the Group meetings expecting a doubly rich return, both from the programed speeches, panels and debates by authorities on the chosen subjects (and others), and from the informal advancing and weighing of proposed solutions to problems peculiar to credit operation in the given field.

Best of Management Minds

If generally acceptable answers are not had from the podium and the floor, continuing committees take them in hand for the next convention, or executives by exchange of correspondence throughout the year test their own experiences against those of others. Whatever the road traveled, the best of management minds contribute to the pool of knowledge for common use or adaptation by all.

Committee chairmen, co-chairmen and members have been designated by all 30 Groups, and the selection of subjects and the naming of speakers to discuss them is well underway.

Meetings in 5 or 6 Hotels

So widespread is Industry Meeting interest that the facilities of five or six of San Francisco's leading hotels will be pressed into service



R. L. Allen

to provide halls for the sessions. Most of the meetings will be at the Fairmont, St. Francis, Sir Francis Drake and Palace hotels. The Fairmont and the Mark Hopkins will be co-headquarters for the Convention.

From 9 or 9:30 in the morning until 5:30 at night, the Group Meetings will hold the reins of the Convention, and the luncheon hours will have their own speakers in a number of instances, sometimes with two allied Groups merging their luncheon periods for the purpose.

General Sessions Plans Speeded

Meanwhile, arrangements for the general sessions of the convention are advancing apace, and local committees are shaping together a program of entertainment that will make the visit to San Francisco one of cherished memory.

Members of the Royal Order of Zebras have been designated official greeters of convention delegates, and the Oakland Herd will directly assist the welcome and hospitality committee, meeting trains and planes as a personalized information bureau.

The large number of inquiries also reflects spreading interest in the projected Post Convention Hawaiian Tour, to start from San Francisco. Details of arrangements now are being finalized.

Following is a listing of personnel in charge of each Group's program for May 18th:

Advertising Media

Chairman—LARRY F. SULLIVAN, Register & Tribune, Des Moines, Iowa.

Vice Chairmen—W. H. M. COOKE, The Montreal Star Co., Ltd., Montreal, Que.; MISS MARIE LOUISE LANOUE, The Times Picayune Publishing Co., New Orleans, La.; ALEX C. McClelland, Philadelphia Inquirer, Philadelphia, Pa.

Secretary—A. V. Horn, Oakland Tribune, Oakland, Calif.

Treasurer—Morris W. Coffman, Dayton Daily News-Journal Herald, Dayton, Ohio.

Automotive

Chairman—H. B. MAITLAND, Firestone Tire & Rubber Co., San Francisco, Calif. Vice Chairman—S. OVERSTRAETEN, In-

ternational Parts Corp., Chicago, Ill.

Committee Members—Mrs. Ellen Anderson, Shields Harper & Co., Oakland, Calif.; J. J. Laputka, R. M. Hollingshead Corp., Camden, N. J.; Harvey Palmquist, Lambert Company, Ltd., Los Angeles, Calif.; W. E. Pettibone, Colyear Motor Sales Co., Seattle, Wash.; Russell Poole, Rollins Motor Co., El Paso. Texas.

Counsellor—J. H. CAVANAUGH, McCord Corp., Detroit, Mich.

Bankers

Chairman—MILTON D. REDFORD, The Anglo California National Bank, San Francisco.

Vice Chairman—CHARLES H. LLOYD, American Trust Co., San Francisco. Committee Members—F. PASCHAL

GALLOT, Crocker First National Bank, San Francisco; FREDERICK B. HENDERSON, JR., Wells Fargo Bank & Union Trust Co., San Francisco; H. F. SLADE, Federal Reserve Bank of San Francisco.

Brewers, Distillers & Liquor Wholesalers

Chairman-M. M. Johnson, Brown-Forman Distillers Corp., Louisville, Ky. Vice Chairman - George H. Pape, Acme Breweries, San Francisco.

Committee Members-MISS DOROTHY BLANK, Alfred Hart Distilleries, Inc., San Diego, Calif.; E. A. HESLER, Jos. E. Seagram Distillers Corp., Chicago, Ill.; GEORGE C. HUMMEL, Griesedieck Bros. Brewery Co., St. Louis, Mo.

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Vice Chairman-A. F. O. PFEIFFER, The Celotex Corp., Chicago, Ill.

Committee Members-GLENN F. BAL-LARD, Minnesota & Ontario Paper Co., Minneapolis, Minn.; ELMER A. GRAHAM, International Steel Co., Evansville, Ind.; RUSSELL L. MOORE, Mosher Steel Co., Houston, Texas; ARTHUR REESE, W. P. Fuller & Co., Los Angeles, Calif.; New-MAN L. SHEETS, The Colorado Builders Supply Co., Denver, Colo.

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Chairman, Eastern Group-Frank J. Dusten, Lone Star Cement Corp., Bethlehem, Pa.

Chairman, Central Group - W. N. LAWSON, Medusa Portland Cement Co., Cleveland, Ohio.

Chairman, Southern Group-G. P. MAHAN, JR., Cumberland Portland Cement Co., Chattanooga, Tenn.

Chairman, Western Group-FRED C. HILLER, Monarch Cement Co., Humboldt,

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Vice Chairmen - HOWARD GAVIGAN, Dow Chemical Co., Pittsburg, Calif.; RICHARD E. JOHNSON, B. F. Goodrich Chemical Co., Cleveland, Ohio.

Committee Members-John Alexan-DER, Monsanto Chemical Co., San Francisco; WILLIAM CAIRNS, Bakelite Co., San Francisco; Louis Candee, L. Sonneborn Sons, Inc., New York, N. Y.; Miss ELIZABETH A. DALY, Harshaw Chemical Co., Cleveland, Ohio; Joseph C. Lynch, Pacific Coast Borax Co., New York, N. Y.

Recording Secretary-Clare I. GINCEL, Givaudan-Delawanna, Inc., New York, N. Y.

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Vice Chairmen - WM. R. AMBROSE, Coffin-Redington Co., San Francisco; Frank L. Brown, Bauer & Black Div., The Kendall Co., Chicago, Ill.; Nelson P. RABONE, Hoffmann-LaRoche, Inc., Nutley, N. J.; Daniel Weber, Davis Brothers, Inc., Denver, Colo.

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Chairman-Donald B. Shaw, Howard Sams & Company, Inc., Indianapolis, Ind. Vice Chairman-A. S. BURDICK, Pryne Company, Inc., Pomona, Calif.

Committee Members — K. L. FRUEN, Mechanical Products Div., General Mills, Inc., Minneapolis, Minn.; J. J. HAYES, Westinghouse Electric Corp., San Francisco; Miss Ruth C. Johnson, Cummins Chicago Corp., Chicago, Ill.; G. F. LANGENOHL, Allis-Chalmers Manufacturing Co., West Allis, Wisc.



E. A. LUTHER



M. D. REDFORD



R. G. KEYES



MISS REHRAUER

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Vice Chairman-H. J. Cunningham, Stromberg-Carlson Co., Chicago, Ill.

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Vice Chairman-BEN REINKING, General Mills, Inc., Minneapolis, Minn.

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fornia Packing Corp., San Francisco. Vice Chairmen—J. W. GRABER, General Foods Sales Div., General Foods Corp., Chicago, Ill.; RAY C. MAJOR, C & H Sugar Refining Corp., Ltd., San Francisco.

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Vice Chairman - ADOLPHE B. REICH. College Inn Food Products Co., Chicago,

Committee Members-W. Don Eck, Paxton & Gallagher Co., Omaha, Nebr.; DONALD R. SHARP, Mason, Ehrman & Company, Portland, Ore.; SHERMAN L. WRIGHT, Louis T. Snow & Co., San Francisco, Calif.

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Vice Chairman—E. C. Corson, Jr., American Smelting & Refining Co., San Francisco.

Committee Members—R. W. DURRETT, Sheffield Steel Corp., Kansas City, Mo.; PAUL R. GROSS, United States Steel Corp., Chicago, Ill.; HOMER SENIOR, Scovill Manufacturing Co., Waterbury, Conn.; GEORGE R. WINTER, A. M. Castle & Company, Chicago, Ill.



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F. A. CATES

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Vice Chairman—Norman F. Voell, Chain Belt Company, Milwaukee, Wis. Committee, Members—F. M. Baxter, Food Machinery & Chemical Corp., San Jose, Calif.; H. J. Kneuker, American Machine & Foundry Co., New York, N.Y.; R. H. Lamont, Smith Cannery Machines Co., Seattle, Wash.; H. McGovern, Gar Wood Industries, Findlay, Ohio; Miss Edna Marsch, Supplies, Inc., Chicago, Ill.

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Vice Chairman—E. S. KARLOW, The
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TODAY'S CHUCKLE

"We don't have any collection problems!"

-Anonymous

Okla.; Miss O. E. Wynn, The Chemical Process Co., Breckenridge, Texas.

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W. A. MacMULLEN



C. W. KROENER

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Committee Members—M. V. Johnston, Gulf Oil Corp., Pittsburgh, Pa.; J. P. McLaughlin, Richfield Oil Corp., Los Angeles, Calif.; E. B. Peterson, Continental Oil Co., Ponca City, Okla.

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Let the fellow who rocks the boat paddle his own canoe. —Youngstown Bulletin

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Vice Chairman—A. R. Dahms, A. O. Smith Corp., Kankakee, Ill.

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Chairman, Planning Committee—C. W. Kroener, Southern Indiana Gas & Electric Co., Evansville, Ind.

Vice Chairmen, Planning Committee—R. HAROLD KLINE, The Detroit Edison Co., Detroit, Mich.; F. U. NAYLOR, Pacific Gas & Electric Co., San Francisco.

District Representatives — Canadian: J. P. Davey, Hydro-Quebec, Montreal, Que.; East: John A. Heery, United Illuminating Co., New Haven, Conn.; Central: C. J. Sullivan, Peoples Gas Light & Coke Co., Chicago, Ill.; South: E. C. Paxton, Dallas Power & Light Co., Dallas, Texas; West: John W. Mott, Arizona Public Service Co., Phoenix, Ariz.



MILTON OSER



ANNE K. MANN

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Vice Chairman—Samuel I. Simons,

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Committee Members—Frank E.

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N.Y.; Frank Dansby, Union Bank &

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Newton, Dundee Mills, Griffin, Ga.

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Chairman—MISS ANNE K. MANN, Koret of California, Inc., San Francisco. Vice Chairman—L. E. Frankenstein, B. Kuppenheimer & Co., Chicago, Ill.

Committee Members—M. G. Armijo, Levi Strauss & Company, Inc., San Francisco; Preston Durfee, Menswear Factors, Los Angeles; Charles K. Madsen, Eloesser-Heynemann Co., San Francisco; Miss Florence Strahorn, L. B. Evans Sons Co., Wakefield, Mass.

TRIBUTE TO LORNE DUNCAN: "BEST FRIEND" OF SALES STAFF

TWO FACTS of paramount significance stand out in parallel on the retirement of Lorne D. Duncan as general credit manager of the National Distillers Products Corporation. He traveled more than one million miles by plane in the interest of his company and credit and financial management. The other fact was brought out by B. C. Ohlandt, vice president and general sales manager, case goods, at a presentation ceremony, when he said, "Lorne Duncan is the best friend we ever have had in the sales department."

Thus the two incidents merge in one tribute to Mr. Duncan as a salesman. For his company it meant that he exemplified the modern concept of the credit executive as a business builder. As Mr. Ohlandt added, "He has been responsible for the sale of more goods than any ten salesmen."

In his report of stewardship as president of the National Association of Credit Men, Mr. Duncan told the 56th annual Credit Congress at Houston in May, 1952, that in the 12 months he had met with 55 local associations, had "visited practically all the major ones and a great many of the smaller." That translates into trips made to more than one credit organization every week of the year.

Besides a life membership in the



ELECTED PRESIDENT of the Electrical Credit Association is the unique bonor accorded Miss Florence J. Burt, of RCA Victor Distributing Corporation, Chicago. The E.C.A., an affiliate of The Chicago Association of Credit Men, also installed B. H. Fossett, Raytheon Television Distributors Division, Raytheon Manufacturing Company, as vice president, and W. L. Haney of the Chicago association as secretary-treasurer.



HONORS TO A SELLING CREDIT EXECUTIVE. Lorne D. Duncan (left), retiring general credit manager of National Distillers Products Corporation and past president of the National Association of Credit Men and the New York and Louisville associations, receives a silver tray from executives of the corporation's selling division. Presentation is by B. C. Oblandt (center), vice president and general sales manager of the company's case goods division, and James H. McInerney, divisional sales manager.

New York Credit and Financial Management Association, awarded him by the board of directors at a special testimonial session, Mr. Duncan was honored with presentation of a silver serving tray at a meeting of company leaders in New York. Signatures of all executives of the sales division, coast to coast, had been engraved upon the tray.

Making the presentation, Vice President Ohlandt declared, "Mr. Duncan has made more millionaires, by his proficient counseling on credit, than any other man I know."

And Harold Hirschfeld, central division manager, offered this amendment: "He is the most sales-minded credit executive I ever have met. He has been the salesman's best friend."

Always Organization-Minded

In his 34 years as a member of the National association, wherever his company duties placed his headquarters, there he immediately went into a concomitant service of the credit profession. When he was stationed in Louisville he made an early affiliation with the Louisville Association of Credit Men. He served on practically all committees and was successively a director, vice president and then president 1932-33.

Transferred to the New York headquarters of the corporation, a similar organizational sequence followed in the New York association. He was general membership chairman four years, starting in 1945, was elected president in 1949, reelected the following year.

Mr. Duncan was president of the New York association and a National director when, at the 55th Credit Congress, in Boston 1951, he was accorded the highest N.A.C.M. elective honors.

In Santa Barbara, California, Mr. and Mrs. Duncan have their new home at 4055 Cuervo Avenue, Hope Ranch Park.

H. P. Reader of Cannon Mills Now in Consultative Capacity

Houston P. Reader, assistant treasurer in charge of credit at Cannon Mills, Inc., New York, and long active in the profession, has relinquished that post but continues at the firm as consultant. Mr. Reader has been with Cannon Mills since 1923, entering the company as head of the credit department. He was made an officer in 1928. He was president of the New York Credit Men's association 1947-48, has been a member since 1906, was a director of National 1928-30, served on the resolutions committee at the Montreal Credit Congress, and over the years has given special attention, organization-wise, to legislative and educational activities and to fraud prevention. Mr. Reader was given a life membership in the New York association at a testimonial meeting



BUYERS' MARKET credit problems in the electrical equipment makers' field were aired at this New York meeting of the National Electric Manufacturers Group (Eastern Division), addressed by Ralph J. Flynn of the McGraw-Hill Book Company. STANDING: (l. to r.) T. F. O'Donnell, Federal Electric Products; Robert Callahan, Sylvania Electric Products; H. J. Langhans, Anaconda Wire & Cable Co.; Milt Cohn, Circle Wire & Cable Co.; James Vincent, Anaconda Wire & Cable Co.; Joseph H. Rafford, Rockbestos Products Corp.; E. I. Atlee, I. T. E. Circuit Breaker Co.; Kenneth Grace, Edwards & Co.; Stanley Elmer, Columbia Cable & Electric Co.; Ward Leonard Electric Co.; Charles Cohen, Hatfield Wire & Cable Co.; Milt Bruml, Triangle Conduit & Cable Co.; Robert Chapponi, Arrow, Hart & Hegeman Co.; E. T. Zeoli, John A. Roeblings Sons Co.; Harold Semar, Teal Mfg. Co., and Jack Helfert, Mitchell Rand Insulation Co. SEATED: W. W. McAdam of the New York Credit Interchange Bureau, N.A.C.M., Group secretary; Florence Ackert, Mitchell Rand Insulation Co.; Ralph J. Flynn, McGraw-Hill Book Co., the Speaker; Kathrine M. Sheehan, Thomas & Betts Co.; Sidney Wolberg, Burndy Engineering Co., Group chairman; Marie L. Dubiel, Irvington Varnish & Insulator Div.; John T. Carroll, Corey Co.; Ida Fortmuller, Clifton Conduit Co., and W. W. Chamberlin, Diehl Mfg. Co.

IMMUNITY TO RECESSION "BUILT-IN," SAYS UPGREN

Reduced federal taxes, the reversed monetary policy, and government "cushions" against recession, if they are needed, will give the United States a "'built-in' immunity to declines," in the optimistic opinion of Dr. Arthur R. Upgren, dean of the Tuck school of business administration at Dartmouth, and fac-

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ulty member of the N.A.C.M. Graduate School of Credit and Financial Management. Mr. Upgren was addressing the Credit Association of Western Pennsylvania.

"The monetary and tax policies of the Administration are sound," the economist told the group. "Our tax system cushions any declines in corporate earnings so that 52 to 82 per cent of such declines are offset by automatic scheduled reductions in taxes."

Surveying the major trends for 1954, Dr. Upgren finds the high volume of consumer credit a good omen. "Instalment credit is one of the great virtues of our economic system," he says, "because it provides a market for increased industrial production and enables users to enjoy homes, autos and refrigerators while paying for them."

He notes: "The federal budget is being reduced, and while the outcome for security expenditures will depend upon the international situation, let us assume that a reduction of \$5 billions in federal expenditures can be secured. We can feel reasonably certain that investment in additional inventories will be whittled down some \$7 billions and that new plant and equipment expenditures by business may decline moderately although the evidence thus far is that these expenditures will be fairly well maintained."

Dr. Upgren does not expect a downward readjustment in 1954 of more than 10 per cent of the gross national production; nor will unemployment attain any severe proportions. In fact, much of the readjustment already has been effected, Dr. Upgren believes.



THE HOW AND WHY OF BUSINESS this year is discussed by Dr. Arthur R. Upgren (center), dean of Dartmouth's Tuck school of business administration and faculty member of the N.A.C.M. Research Foundation's Graduate School there. Shown with him at the meeting of the Credit Association of Western Pennsylvania, in Pittsburgh, are J. H. Donovan (left), assistant treasurer, Jones & Laughlin Steel Corporation, and association president, and Dr. V. W. Lanfear, dean of the business school of the University of Pittsburgh.

CALENDAR OF EVENTS IMPORTANT TO CREDIT

HIGHLAND PARK, ILLINOIS

February 4-5-6

Credit Research Foundation Workshop

CHARLOTTE, NORTH CAROLINA
March 8-9

N.A.C.M. Secretary-Managers (Eastern Division) Conference

Spokane, Washington March 18-19

Pacific Northwest Credit Conference covering Washington, Oregon, Idaho

SAN FRANCISCO, CALIFORNIA May 13-14-15

N.A.C.M. Secretary-Managers (National) Conference

San Francisco, California May 16-20 58th Annual Credit Conference and

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Convention, National Association of Credit Men

STANFORD, CALIFORNIA

July 4-17

Stanford University Session of the N.A.C.M. Graduate School of Credit and Financial Management

HANOVER, NEW HAMPSHIRE

August 1-14

Dartmouth College Session of the N.A.C.M. Graduate School of Credit and Financial Management

St. Paul, Minnesota September 17-18

Annual North Central Credit Conference, covering Minnesota, North and South Dakota

St. Joseph, Missouri September 20-21-22

Quad-State Annual Credit Conference, comprising Missouri, Kansas, Oklahoma and Southern Illinois

San Diego, California September 27-28-29

Annual Pacific Southwest Credit Conference.

Chicago, Illinois October 13

Illinois Fall Regional Conference

Sioux City, Iowa October 13-14-15

Tri-State Credit Conference, comprising Iowa, Nebraska and South Dakota

PHILADELPHIA, PENNSYLVANIA October 14-15-16

Tri-State Credit Conference, comprising New Jersey, New York, Eastern Pennsylvania, District of Columbia, Maryland and Virginia

San Antonio, Texas October 21-22-23

Annual Southwest Credit Conference, covering Texas, Louisiana, Arkansas, Oklahoma, New Mexico and Arizona.

Columbus, Ohio October 29-30

Ohio Valley Regional Credit Conference, covering Ohio, Western Pennsylvania, West Virginia, Kentucky and Eastern Michigan.

Franklin, Retiring, Is Presented Association Life Membership

Retiring after 46 years of service with the Pittsburgh Plate Glass Company, Baltimore, Arthur L. Franklin

was presented a life membership in the Baltimore Association of Credit Men.

The award resolution reads in part:

"Arthur L. Franklin has been a member of the Baltimore



A. L. FRANKLIN

Association of Credit Men since 1925 and has rendered loyal, devoted service in his individual capacity and as a member of various committees, including a term as president from May 1946 to May 1948, and has endeared himself to the entire membership because of his friendly and amiable personality..."

Mr. Franklin began his employment with the glass company in 1907, became cashier in 1912, and was made credit manager for the Balti-

more warehouse in 1915.

"Mr. Dunn" Exposed

NO ONE could be found who could describe Mr. Dunn. He could be a youngish sort of man, or he might be an old one. (No, no, not William R. Dunn, general credit manager of General Foods Corporation). For the past 20 years the other Mr. Dunn's letters, written on the stationery of the Associated Retail Credit Men of New York City, Inc., over the title of auditor, were carefully worded, grammatically correct. He was ever firm, concise, persistent. Beyond that, there was always a doubt and puzzlement about William Dunn because no one had ever been able to meet him. But "the truth will out," they say, and now it can be told who Mr. Dunn is.

He was created by the adjustment bureau of the Credit Bureau of Greater New York because no one else wanted the onus of signing his name to the dunning letters sent delinquent debtors. His 20 years' service has proved productive of results and the Credit Bureau, in offering its membership expanded use of Mr. Dunn's letters, found it necessary to reveal his true identity.

As a tribute of respect to an indefatigable worker, may we add the word, Mr. Dunn, that the W. in your name might stand for "Well."

You Precision Tools For SOUND CREDIT Operations In Touch-and-Go BUYERS' MARKET

Precise knowledge of changes in Federal and State laws affecting Credit—and 44 State Legislatures met in 1953—can save you from expensive mistakes.

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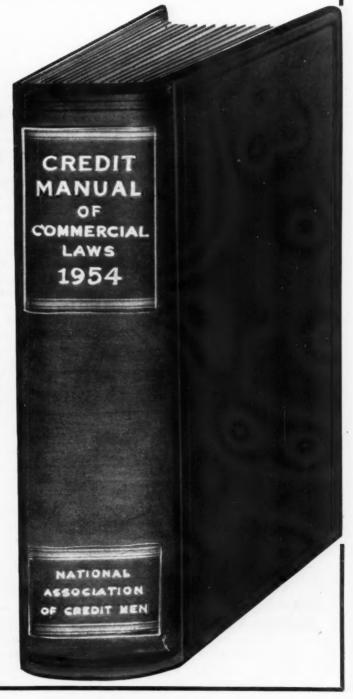
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Publications Department

NATIONAL ASSOCIATION OF CREDIT MEN

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Ogden Heads Kellogg Credits; Bolt Is Assistant Manager





F. C. OGDEN

C F ROLT

ELLSWORTH C. OGDEN has been appointed credit manager, Kellogg Company, Battle Creek, Michigan, to succeed Thomas J. Lyon, who retired with 32 years' service. Mr. Ogden entered Kellogg's credit department in 1931 and was made assistant credit manager in 1946.

C. E. Bolt, named assistant credit manager, succeeding Mr. Ogden, started in 1926 as messenger boy for the Kalamazoo Association of Credit Men. He advanced to manager of the Credit Interchange Bureau and left in 1929 to join the Grand Rapids Association of Credit Men in a similar capacity. He joined Kellogg in 1946, in Mr. Lyon's department.





HONORED ON RETIREMENT. Thomas J. Lyon (left) who retired as credit manager, Kellogg Company, Battle Creek, Mich., after 32 years' service, is presented with a silver bowl by the board and members of the National Food Manufacturers Credit Division, N.A.C.M., at the Tri-State Credit Conference, Baltimore. Making the presentation is James F. Welsh, secretary, McCormick & Company, Baltimore, a past president of the Baltimore Association of Credit Men.

Lyon, Retiring, Honored As Credit Man Close to Field

DESCRIBED as "the type of credit man who is not content to stay behind the desk and who personally probably knew more grocery men in the United States than any other credit executive," Thomas J. Lyon was formally honored at the Tri-State Conference in Baltimore on his retirement after 32 years with Kellogg Company, Battle Creek, Michigan.

Tom Lyon had completed a year as chairman of the National Food Manufacturers Credit Division, and was presented with an engraved silver bowl in appreciation of his work by the board of directors and members of the group.

The long road up from the family farm near Homer, Michigan, was paved with hard work and self-effacing, sincere cooperation. From managing the family farm, Tom went into banking in Homer, then to Battle Creek and the cashier's department of the Postum Cereal Company. He entered Kellogg Company's employ in 1921 and has been in charge of the credit department most of the time since.

In his almost four decades of productive activity, he has been instrumental in helping to raise the level of the credit profession.

Mr. and Mrs. Lyon are following the sun, in their trailer, through the southwest to California.

New York Jewelry Credit Group

The Jewelry Credit Group, composed of 20 manufacturers and distributors of watches, jewelry and silverware whose annual total sales

volume is estimated at \$280 millions, has been chartered as a unit of the New York Credit Group Service, affiliated with the New York Credit & Financial Management Association. Carl Avner, controller and assistant secretary-treasurer, Helbros Watch Company, New York, is chairman. J. A. Brandt, controller, Louis Aisenstein & Brothers, New York, is vice chairman.

Cleveland Fraud Prevention Committee Headed by Morse

The Cleveland Fraud Prevention Committee has been organized in cooperation with the Fraud Prevention Department of the National Association of Credit Men. Chairman of the Cleveland committee, all of whose personnel are members of the legislative committee of the Cleveland Association of Credit Men, is B. F. Morse of Cities Service Oil Company. Vice chairman is A. G. Mader, The Cleveland Paper Company. The following committee members were named:

A. C. Philip, Consolidated Iron-Steel Mfg. Co.; J. S. Allt, Leece-Neville Company; J. R. Callahan, Jack & Heintz, Precision Industries, Inc.; D. S. Clarke, Central National Bank; T. R. Correll, Tramco Mfg. Co.; Arthur J. Kesselem, Arco Co.; J. F. Kozak, Alling & Cory Co.; B. E. Loftus, Cleveland Builders Supply Co.; W. W. Thomas, Campus Sweater & Sportswear Co.; R. F. Kendall, Reliance Electric & Engineering Co.

Family ties are what father buys and his sons wear.

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Heimann Lauds Sam Schneider's Service **Building Sound Credit in Louisville Area**

OMPLETING 29 years of untiring direction of the progressive growth and expansion of the Louisville Credit

Men's Associa-

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executive manager post to devote his time to personal interests. He will serve in an advisory capacity

throughout 1954 before permanent retirement.

Addressing a testimonial meeting of the Louisville association and other civic leaders, Henry H. Heimann, executive vice president, National Association of Credit Men, said few could realize the extent of the contribution made by Mr. Schneider to the sound credit structure of the Louisville area.

"In the earlier days," the speaker recalled, "when credit and sales departments of companies often were scarcely on speaking terms, Mr. Sam J. Schneider as a sales-minded executive pioneered better understanding between them.

"He had the vision to know that credit granting is not a routine matter and that circumstances alter cases. In Louisville's flood emergency it was Mr. Schneider who immediately contacted sellers throughout the nation and assured them that they could soundly extend credit to those who needed to restock their stores. Not one dollar appeared on the loss account side of the ledgers of those who responded to his call.

"He recommended that the association buy its own building. This was the first building owned by any credit association in the country.

D. M. Messer, president of the National committee, also was a speaker.

Sam Schneider has long been active in association affairs. He was president of the Louisville association in 1923 and twice was chairman of the secretarial council of the National Association of Credit Men. During his tenure, the Louisville membership rose from 211 to 1,275. His entire career has been in credit management. Prior to joining the association, he was with Belknap Hardware & Manufacturing Company for 18 years, and was credit manager the last seven of them. His service with the Louisville association was interrupted for three years during World War II when he was a major in the Air Force.

J. Kenneth Scoggan, treasurer of the association, has been named acting manager. With the association

since 1926, when he was appointed treasurer and collection manager, in 1942 he was placed in charge of the estates department. He was acting manager from 1942 to 1944 while executive



J. K. SCOGGAN

manager Schneider was in military service. Previously Mr. Scoggan had been general credit manager of a Louisville implement manufacturing company.

Robert J. Meyer was named assistant secretary-manager, and F. R. Holzknecht assistant treasurer.

Mr. Heimann presented a 20-year service award to Mr. Meyer.

Spokane Association Honors Fifty Years of Progress

A half-century of growth intertwined with the development of the great Northwest is the saga of the Spokane Merchants Association, which observed its golden anniversary with a 44-page gold and black souvenir booklet outlining its prog-

Fifty years ago at Spokane a group

Behind every achievement lies a story of sacrifice. This past year consumer credit reached an all-time high. but a lot of us had to go into debt to do it.

-Anonymous

of 13 men, each the head of a wholesale house or manufacturing concern, met to consider cooperative action. The date, December 13, 1903, marked the transition from the destructive practice of "every man for himself" to working together for the benefit of all. Up to that time credits had been freely given, failures were numerous, losses were heavy. Assignments and attachments were individually drawn, and cluttered up the business scene.

From a purely local organization, Spokane has seen its operations and membership extend to the whole northwest Inland Empire. Its Traffic Department played an important part in policing matters of transportation inequalities in the area. The late Johnson Byron Campbell, the association's first secretary-manager and founder, was chairman of the Interstate Commerce Commission 1928-30, under President Hoover.

The Spokane Association of Credit Men is a division of the Merchants Association. E. F. Phillips, Crane Company, is president of the association. W. L. Ignatius is secretarytreasurer.



THE PLAQUE awarded the Syracuse Association of Credit Men by National for its five-THE PLAQUE awaraed the Syracuse Association of Credit Men by National for its five-year growth performance is the center of attraction at the formal presentation. The Syracuse officers are (l. to r.) Newton D. Bartle, executive secretary; Thomas D. McMillen, American Lumbermen's Mutual Casualty Company of Illinois, association first vice president; Archie W. Mahon, assistant vice president, Merchants National Bank & Trust Company, the president; Fred L. Van Epps, treasurer, Gould Pumps, Inc., second vice president; and Ralph De Gilio, credit manager, Syracuse Supply Company, association treasurer.



PAUL W. MILLER (left), president of the Marlborough Company, Atlanta, past president of the National Association of Credit Men, and currently president of the Credit Research Foundation, has been honored with the Credit Merit Award. The presentation was made at the All-South Credit Conference in New Orleans by D. M. Messer, N.A.C.M. president, and vice president and general manager of the Dohrmann Commercial Company, San Francisco. Robert L. Simpson (right), president and treasurer of C. T. Patterson Co., Inc., New Orleans, was N.A.C.M. president 1944-46.

Credit Profession Has Come Far, But Has Long Way to Go, Conferees Told

THE CREDIT profession has come far since the days when a book-keeper astride a tall stool handled collections and credits in his spare time, and the outlook is for far greater advancement, with unlimited potentialities. This was the prevailing conviction expressed by credit and financial 'executives who focused their sights on the theme, "Credit Progress in a Free Economy," at the two-day Ohio Valley Regional Credit Conference, held at Detroit.

H. Dale Palmer, president, Detroit Steel Products Company, and a past president of the Detroit Association of Credit Men, was the keynote speaker. The program included an address by a banker on the effects of higher interest rates on credit and the national economy, a discussion of the impact of lower farm income in 1954 by Merritt D. Hill, assistant general manager, Ford tractor division, Ford Motor Company, Birming ham, Mich.; a panel on "Doing Business without a Financial Statement"; a discussion of credit's impact on selling, by E. B. Moran, N.A. C.M. Secretary; and a report on the work of the N.A.C.M. Fraud Prevention Department, by John C. Fredell, Jr., its national director.

"The financial administration of the country deserves the complete confidence of business, and the credit profession particularly," Milton J. Drake, vice president, The Detroit Bank, told the delegates.

In his summary talk on "Credit—the Other Half of the Sale," Mr. Moran said: "If the members of the credit profession will accept the challenge which is offered them by today's conditions, our standard of living will continue its upward climb, setting an example for the rest of the world." Mr. Moran pointed out the essential importance of credit in our national economy, particularly its responsibility toward sales.

Credit executives participating in the panel discussion were: Presley H. Meyer, Peaslee-Gaulbert Corporation, Louisville; David H. Hotchkiss, Petrequin Paper Company, Cleveland; E. R. Blumenshine, American Box-Board Company, Grand Rapids, Mich.; and Reed D. Andrew, American Blower Corporation, Detroit. James H. Donovan, assistant treasurer, Jones & Laughlin Steel Corporation, Pittsburgh, N.A.C.M. director and president, Credit Association of Western Pennsylvania, was moderator.

At the Mid-West Credit Women's Conference, held immediately following the regional conference, Marguerite Higgins, Pulitzer prize-winning Korean correspondent, spoke.

Arthur L. Jones Dies; Served Organized Credit 25 Years

Death of Arthur L. Jones, assistant treasurer and general credit manager, Armour and Company, Chicago, ended a quarter century of outstanding service in local and national association activities. He was immediate past director, N.A.C.M., chairman of the N.A.C.M. pension committee, and past president of The Chicago Association of Credit Men.

"Art," as he was affectionately known, was a dynamic personality of great creative ability. He had the indestructible gift of making friends and keeping them, and his life had been a very full one of unstinting helpfulness to others. His community interest led to two terms as mayor of Park Ridge, Ill. He is survived by his wife, Blanche, two sons and a daughter.

William L. Lang

A heart attack at 49 closed the career of William L. Lang, secretary-treasurer and a director of the S. B. Hubbard Company in Jacksonville, Fla., where he had been president of the National Association of Credit Men, North Florida Unit, 1947-48. Following graduation from college Mr. Lang was in the credit department of Union Carbide and Carbon Corporation, with headquarters in New York, and later with the Devoe and Reynolds Paint Company as eastern credit manager and metropolitan sales manager.

Mrs. Margaret L. McCormick

Mrs. Margaret L. McCormick, secretary-treasurer, Sefton Fibre Can Company, St. Louis, and a former president of the St. Louis Credit Women's Club, died after a long illness. Mrs. McCormick had been with the Sefton company for 27 years and was an active member of the credit group for many years.

Perry Hyland

Perry Hyland was associated with the International Silver Company, Meriden, Conn. for 40 years, the last 11 as credit manager. He was active in the Hartford Association of Credit Men.

Thorn Assistant Treasurer Of Girard Trust, Philadelphia

Marvin Thorn, who was on the staff of the Credit Research Foundation, National Association of Credit Men, when he left for service in the Armed Forces, has been named assistant treasurer of the Girard Trust Corn Exchange Bank of Philadelphia. He has specific responsibilities for credit operations in the commercial department.

Hard Work and Managerial Skill Needed At All Levels, Industry Leaders Agree

IN A REAPPRAISAL of credit in the light of today's competitive selling, industry leaders and credit and management executives speaking before the 38th annual Tri-State Conference in Baltimore agreed that hard work at all levels is needed to capture the sales dollars in the period ahead, with managerial skill more vital than ever.

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Eight Industry Groups presented programs correlating broad economic views and trends with specific credit problems encountered in their industry. At the Textile Group session, which had for its topic "Sound Credit Under Current Conditions," Sidney A. Stein, president, Congress Factors Corporation, New York, advocated that "credit men act as 'educators' to business, especially since there are many businessmen today who have had no experience with operating in a depressed market."

Budget Plans and Credit

In the Clothing, Footwear and Allied Lines' Group, W. Ray Hennie, assistant vice president and assistant secretary, Textile Banking Company, Inc., New York, speaking on "Making Better Use of Borrowed Capital," declared that manufacturers may be forced to overhaul their credit practices to coincide with the budget plans now so widely in use in department stores.

Harold Smith, assistant credit manager, Chester H. Roth Company, New York, at the same session, in a discussion of credit terms as an aid to distribution, urged extending longer terms to marginal accounts in order to encourage greater distribution. He felt that the risk involved would be offset by increased volume.

Lyon Honored on Retirement

Speakers before the general sessions and their topics included: Rear Admiral Frederick J. Bell, USN (Ret.), executive vice president, National Automobile Dealers Association, Washington, D.C., "Power of People" (McCormick & Company Management Plan); Herbert R. O'Conor, former senator from Maryland; and Dr. H. C. Byrd, president,

Sometimes the only kick you have coming is the one you feel like giving yourself.

-Anonymous

University of Maryland, who addressed the banquet meeting on selling the American way of life abroad.

Bess R. Havens, First National Bank, Binghamton, was presented with a check for \$500 and a book of 75 testimonial letters in recognition of her 25 years' service as recording secretary of the Tri-State Conference Committee.

A silver bowl was presented to Thomas J. Lyon, credit manager, Kellogg Sales Company, who has retired after long service. Mr. Lyon also resigned the chairmanship of the National Food Group. (See page 38).

A luncheon held by the Credit Women's Group was addressed by Judge Helen Elizabeth Brown of Housing Court, Baltimore.



KUDOS to Miss Bess R. Havens for 25 years of service as secretary of the Tri-State Conference committee, a presentation at the Baltimore gathering. With Miss Havens are (left) Arthur L. Franklin, councillor of the Baltimore Association of Credit Men, and Houston P. Reader, Cannon Mills, Inc., New York.

Humphrey Program Will Start Dollar Value Rolling Uphill Again, Says Banker

THE value of the dollar will increase and the "honest Humphrey dollar" will be worth more to every-

one, whether he be a salaried man, hourly wage worker or an investor, Roland A. Erickson, president, Guaranty Bank & Trust Company, Worcester, Mass., predicts. The three-fold pro-



J. F. MADDEN

gram of Secretary of the Treasury G. M. Humphrey, based on control of the budget and the national debt, and an independent Federal Reserve system operating as a central bank, will effect the restoration dollar, Mr. Erickson says.

"Cheap money in a depression becomes expensive money in a boom," the bank official told the New England Conference of Credit and Financial Management. "The cheap money policy—money loaned at low interest rates to stimulate spending and business—can be traced back to 1933 and the depression. It contributed a great deal to the price inflation experienced in the period 1946-1952.

"Had the price of money been decontrolled at the same time other commodities were freed, the situation would be much more healthful today."

Thomas H. Nelson, partner, Rog-

ers, Slade, Hill, New York, management consultants, spoke on the subject "What Does Top Management Expect of Credit Men in Terms of Management Administration and Performance?"

Speakers at the credit forum and their subjects were: Edward O. Kallman, credit manager, Wheeling Corrugating Company, Long Island City, "Analyzing the Customer Through His Balance Sheet"; George Manly, assistant treasurer, Brown & Sharpe Mfg. Company, Providence, "Exports"; Paul W. Russo, New England district manager, Dun & Bradstreet, Boston, "A Line from the Dun & Bradstreet Print," and Robert W. Johnstone, credit manager, Norton Company, "Credit Systems and How They Work." Forum moderator was Joseph F. Madden, Nicholson File. Company, Providence, and a director of the National Association of Credit

"Is Business Facing a Readjustment?" was the subject of a talk by Edwin B. Moran, N.A.C.M. secretary.

Their joint account's retarded
By one persistent flaw;
He's fast on the deposit
But she's quicker on the draw!

---Anonymous

CREDIT AND FINANCIAL REPORTER

Brief Items on Credit Activities and Meetings

Kansas City, Mo.—Five credit executive members of the Kansas City Wholesale Credit Association took part in a forum discussion, with A. J. Kemp, A. M. Castle & Co., as moderator. Participants and their topics were: George R. Morgan, Sheffield Steel Corp., "Analyzing the Customer's Capacity"; Gene Funck, Grinnell Co., "Collection Gimmicks to Turn the Tough Ones"; A. L. Benson, Wheeling Corrugating Co., "Some Practical Aspects of Political and Economic Changes that Affect the Credit Picture"; Ina May Sydenstricker, Barr-Thorp Electric Co., "Training Credit Department Personnel and Some Personal Qualifications of Credit Work."

MEMPHIS, TENN.—"Wills and Trusts" was the subject of Troy Beatty, vice president and senior trust officer, First National Bank, before the Memphis Association of Credit Men.

Newark, N.J.—"Extending Credit to Weak Accounts" is the topic selected by the New Jersey Association of Credit Executives for presentation in four monthly credit forums. The first forum had as guest speaker Franklin Moss, of Franklin A. Moss & Co., management consultants. Three credit executives then outlined in panel fashion how they extend credit to marginal accounts. M. C. Price, Sherwin Williams Co., was moderator. Participating: William McLaren, Theo. Andreas Co., Lester Newman, Homelite Corp., and Lyman Whitney, K-R Services, Inc.

New Orleans, La.—Frank Youngman, manager, tax department, Peat, Marwick, Mitchell & Company, was guest speaker at the luncheon meeting of the New Orleans Credit Men's Association which included presentation of a Fellow Award certificate of the National Institute of Credit to a chapter member. Mr. Youngman's subject was "Some Recent Developments in Federal Taxation."

CHICAGO, ILL.—A four-man banker-credit executive panel discussion, "You and Your Banker," which carried on where the Montreal Convention discussion left off, was presented before the Chicago Association of Credit Men. Participants (for banking): Douglas S. Seator, assistant



KNOW YOUR ASSOCIATION. New York Credit Women's Group hears George J. Schatz, president, New York Credit and Financial Management Association, at annual orientation meeting. Seated at speakers table (l to r): Alice H. Barnhardt, Hazel Bishop, Inc., Group treasurer; Reggie Cole, House of Westmore, Inc., Group vice president; Mr. Schatz; Polly A. Boker, Group president; Mortimer J. Davis, executive vice president of the New York association; Mrs. Schatz; and Mary Mabon, Manufacturers Trust Company, Group secretary.

vice president, Harris Trust & Savings Bank, and Charles J. Schaniel, vice president, Lake Shore National Bank; (for industry) Russ A. Carrier, assistant treasurer, Agar Packing & Provision Company, and Charles H. Cuny, credit manager, United Air Lines. William M. Edens, assistant controller, Continental Illinois National Bank & Trust Company, was moderator. Mr. Edens was chairman of the Robert Morris Associates liaison committee which cosponsored the Montreal panel.

Dallas, Tex.—Speakers at successive luncheon meetings of the Dallas Wholesale Credit Managers Association included Sheriff Bill Decker, Dallas County; V. Y. Rejebian, a specialist on the Near East, and Morris S. Jaffer, local attorney.

OMAHA, NEBR.—A joint meeting of the Omaha Sales Executives Club and the Omaha Association of Credit Men head national secretary, Edwin B. Moran, talk on "Credit—the Other Half of the Sale."

OSHKOSH, WIS.—William Wanvig, secretary, Globe-Union, Inc., Milwaukee, and a director of National, reported on the national board meeting in an address before the Central Wisconsin Association of Credit Men.

GREEN BAY, WIS.—Edward P. Rubin, president, Selected American Shares, Chicago, addressed the Northern Wisconsin-Michigan Association of Credit Men on the "Current Outlook for General Business." Mr. Rubin is a graduate of Heidelberg College, with postgraduate work in economis at Harvard University.

HARTFORD, CONN.—A panel session on "Credit Procedure and Problems" gave members of the Hartford Association of Credit Men an opportunity to discuss daily activities Harry C. Jackson was moderator.

Boston, Mass.—John E. Sullivan, associate professor at Northeastern University, addressed the National Institute of Credit chapter on "How to Train an Employee."

ROANOKE, VA.—C. Herbert Bradshaw, credit manager, Bausch & Lomb Optical Co., Rochester, N.Y., and eastern division vice president, N.A.C.M., was guest speaker at the annual dinner meeting of the Roanoke Association of Credit Men

SALT LAKE CITY, UTAH—Senator Wallace F. Bennett of Utah spoke before the Intermountain Association of Credit Men on the significance of the Federal Reserve system in control of credit inflation.

SAN FRANCISCO, CALIF.—Problems of a business readjustment were discussed by Henry H. Heimann, N.A.C.M. executive vice president, addressing the Western Division Secretary-Managers annual conference.

SOUTH BEND, IND.—Irwin Stumborg, assistant treasurer and credit manager, Baldwin Piano Co., and central division N.A.C.M. vice president, addressed the St. Joseph Valley chapter on credit trends and was followed by George Cloos, member of the federal research panel of the Federal Reserve Bank, Chicago, who discussed the business outlook for 1954.

Tacoma, Wash.—A joint meeting of the Tacoma Association of Credit Men with the Chamber of Commerce and the Kiwanis Club had as guest speaker Henry H. Heimann, N.A.C.M. executive vice president.